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# ***Daily Report***

## **China**

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# Daily Report China

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## General

**Yao Yilin Returns Home After European Visit**  
*OW2110093888 Beijing XINHUA in English*  
0805 GMT 21 Oct 88

[Text] Beijing, October 21 (XINHUA)—Chinese Vice-Premier Yao Yilin returned here at noon today after winding up his visit to the Federal Republic of Germany and the Czechoslovak Socialist Republic and a brief stopover in Switzerland.

Among those met him at the airport were Bai Meiqing, deputy secretary-general of the State Council, and diplomatic envoys and embassy officials of Federal Germany, Switzerland and Czechoslovakia.

**Scientists, Scholars Attend Pugwash Talks**  
*OW2010235588 Beijing XINHUA in English*  
1308 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—Some 50 scientists and scholars from 13 countries attending the 4-day 53rd Pugwash symposium on "Peace and Security in the Asian-Pacific Region" which closed here today, listed central problems and dilemmas affecting the region, including:

—Economic security is an important precondition for the attainment of military and political security.

—The North Pacific sub-region, an increasingly important focus of attention for the Soviet Union, the United States, China, and Japan, is most affected by the naval and aerial arms race and competition between the Soviet Union and the United States.

—European models of common security such as the CSCE discussions and mutual force reductions do not fit Asian realities neatly and have to be adapted and modified to Asian conditions.

—To ease military tension and pre-empt accidental conflict, there is a need to reduce East-West naval and air competition, further denuclearize the region, effectively demilitarize the demilitarized zone in the Korean peninsula, lower force levels on both sides of the Sino-Soviet border, restrain Japanese defense expenditure and address the positive and negative consequences of foreign military bases in the region.

The summary report of the symposium, sponsored by the Pugwash Conference on Science and World Affairs (PCSNA) and the Chinese People's Association for Peace and Disarmament (CPAPD), says that without economic development and environmental security, the absence of war alone will not result in long-term stability in the region.

It also says that among the three sub-regions, the South-west Pacific, Southeast Asia, and the North Pacific, the latter is the most heavily nuclearised sub-region, where the risk of accidental conflict is the highest.

The report points out that the promotion of common security in the Asian-Pacific region has to reflect its distinctive cultural and political characteristics.

The report says the PCSWA, an international peace organization of scientists from the East and the West and an important consultant establishment to both the United Nations and governments of related countries, can help solve the problems by stimulating dialogues and researches at governmental and nongovernmental levels.

The first Pugwash meeting was held in 1957 in Pugwash, Canada, attended by 22 scientists from 10 countries. Since 1975, 49 conferences and symposia attended by 7,300 people have been held.

The closed Beijing symposium covered the concept of regional security, problems in areas of heightened tension and conflict, scientific cooperation and exchange, and halting the arms race in the Pacific. A total of 26 papers were received by the symposium.

Zhou Peiyuan, vice chairman of the Chinese People's Political Consultative Conference and chairman of the CPAPD, delivered a closing address at the symposium.

## Meet Qian Qichen

*OW2110024088 Beijing XINHUA in English*  
1216 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—Chinese Foreign Minister Qian Qichen met here this afternoon with some 20 foreign scientists and scholars attending a conference on peace and security in the Asia-Pacific region.

During the 1-hour meeting at the Great Hall of the People, Qian answered questions raised by the experts on such issues as reduction and prohibition of nuclear weapons, Sino-Soviet and Sino-Japanese relations, and ways of eliminating regional hot spots and conflicts including the Kampuchea issue.

Qian praised the scientists' efforts in promoting peace and security in the Asia-Pacific region and the world as a whole.

Later in the afternoon, Fei Xiaotong, vice chairman of the Chinese National People's Congress Standing Committee, also met with the conference participants.

Zhou Peiyuan, vice chairman of the National Committee of the Chinese People's Political Consultative Conference hosted a banquet in their honor yesterday evening.

The scientists from a dozen countries attended the symposium as individuals.

The conference, which ended here this morning, was co-sponsored by the Pugwash Conference on Science and World Affairs and the Chinese People's Association for Peace and Disarmament, of which Zhou Peiyuan is the president.

**UN Representative on Readjusting World Debt**  
*OW2010215088 Beijing XINHUA in English*  
*1845 GMT 20 Oct 88*

[Text] United Nations, October 20 (XINHUA)—China suggested today that the present global debt strategy be readjusted and substantiated as efforts made by the partners involved have not fundamentally alleviated the debt problem.

"The grim reality urgently requires an exploration of new approaches" to the debt problem, which has become a "major obstacle" to the development of many developing countries and a threat to the world economy, said Minister Wang Baoliu, representative of China, at the Second Committee of the General Assembly today.

The committee was entering into the second day of its deliberations on the agenda item "external debt crisis and development" today.

The Chinese minister's suggestion consisted mainly of reducing the stock of debt and debt service through businesslike dialogues to be conducted among creditor and debtor nations, commercial banks and international financial institutions in a spirit of "shared responsibility and mutual benefit."

Wang Baoliu also called on developed countries to help foster the economic recovery and development of debtor nations by taking effective measures to resist protectionist pressures, lower interest rates and increase the transfer of financial resources.

He urged them to translate their commitments on debt relief to the poorest countries into action as soon as possible.

In coming to grips with the debt problem, emphasis should be placed on how to reactivate the economic development of the debtor countries rather than on a mere recovery of principal and interests from them, Wang stressed.

**Senior Soviet Trade Delegation Visits Seoul**  
*OW1610095288 Beijing XINHUA in English*  
*1629 GMT 13 Oct 88*

[Text] Moscow, October 13 (XINHUA)—A senior delegation of the Soviet Trade and Commerce Chamber is in Seoul to discuss trade relations with South Korea, a Soviet Foreign Ministry spokesman said today.

Gennadiy Gerasimov, head of the Soviet Foreign Ministry Information Directorate, told a news briefing this afternoon that Vladimir Golanov, deputy chairman of the Soviet Trade and Commerce Chamber, and other officials are currently in Seoul where they are "examining the possibility of establishing contacts between the chambers of the two countries."

But he explained that the Soviet Trade and Commerce Chamber is not a governmental organization.

Soviet leader Mikhail Gorbachev said last month that "in the context of a general improvement in the situation on the Korean peninsula, possibilities can be opened up for forming economic relations with South Korea as well."

**Trade Offices To Open**  
*OW1610204888 Beijing XINHUA in English*  
*1514 GMT 15 Oct 88*

[Text] Beijing, October 15 (XINHUA)—South Korea and the Soviet Union agreed today to open trade offices in each other's capitals, reports reaching here said.

The accord was reached in a memorandum signed by Vladimir Golanov, vice president of the Soviet Union's Chamber of Economy and Industry, and Lee Sun-kee, president of the official South Korea Trade Promotion Corporation.

The agreement was made during Golanov's visit to South Korea.

The trade offices will encourage two-way trade and investment, and it is believed they will also handle consular affairs in the absence of official diplomatic relations between the two sides, the reports said.

Golanov was quoted as saying that the Soviet Union hoped for South Korea's cooperation in the development of Siberia and joint ventures in the automobile industry, in steelmaking, electronics, and in construction.

A formal agreement will be signed when Lee visits Moscow later this year.

**Commentator Views International Ties**  
*HK2110070788 Beijing BAN YUE TAN in Chinese*  
*No 18, 25 Sep 88, pp 18-19*

[Article by Peng Di (1756 6611), BAN YUE TAN contributing commentator: "Internationally, We Should Strive for Peace, Domestically, for Changes"]

[Text] Detente, readjustment, and reform are like a strong wind sweeping across the whole world. Internationally striving for peace and domestically striving for changes is now the trend of the times and the desire of people all over the world.

The 1980's has witnessed a new trend that all the countries in the world have been internationally striving for peace and domestically striving for changes one after another. Among the big powers in the world, China was the first to announce readjustments in its domestic and foreign policies. After experiencing a 10-year turmoil and conscientiously summing up its past experiences and lessons, China entered the 1980's with an entirely new look. Since the beginning of 1980's, domestically, China has taken the new road of building socialism with salient Chinese characteristics; internationally, China has been following its independent foreign policy of peace. The implementation of the policy of reform and opening up to the outside world has brought enormous changes to China which has been playing an increasingly important role in promoting world peace and worldwide economic development.

Since the mid-1980's, the Soviet Union has also introduced some major changes in its domestic and foreign policies. Domestically, the Soviet Union has announced its plan for economic and political reforms aimed at smashing its ossified economic and political structures and accelerating its domestic economic development; internationally, it has been striving for a worldwide detente by readjusting its relations with the United States, and reducing military confrontation and increasing political dialogue with other countries. For the first time in history the Soviet Union and the United States have reached an agreement on reducing their respective nuclear arsenals, destroying each other's medium-range nuclear missiles, and jointly easing up regional tension. Although the United States and the Soviet Union still have conflicting interests in the world and will not easily give up their competition and contention for world hegemony, fundamental changes have taken place in the specific contents and forms of their competition and contention. These fundamental changes in the contents and forms of the competition and contention between the United States and the Soviet Union will probably become the starting point for a new and more stable post-war worldwide detente.

As a matter of fact, since the end of the Second World War, the United States has also continuously readjusted its domestic and foreign policies in order to cope with the drastic changes in the international situation. By relying on its real strength, the United States has carried out interventionism and neo-isolationism and employed such tactics as the cold war and detente. The United States has also experienced ups and downs, stagnation, recession, expansion, and even some uncontrollable phenomena in its economic development, such as the plunge of the stock market, the rapid increase of its foreign debt, and huge financial and trade deficits. From the economic theory of John Maynard Keynes of the supply school, the United States has been searching for an effective remedy for the chronic maladies inherent in its economy and trying to maintain the vitality of its economy. Since the 1980's, the real strength of the United States has been weakened by the multipolar development of the world. Since its economic development is

beset with countless unpredictable and hidden troubles, the United States is presently trying hard to work out a new strategy for its own safety and development. Meanwhile, the domestic reforms carried out by the Soviet Union and the efforts made by them in seeking worldwide detente have served as an invisible impetus to the readjustment of U.S. global strategy.

Easing tension in relations between the two super powers has resulted in a series of chain reactions: Some regional hot spots, such as Afghanistan, South West Africa, and the Iran-Iraq War, have begun to cool down, although with a lot of difficulties.

The emergence of this new international situation is by no means accidental or temporary. The emergence of this new situation has embodied not only the strong desire of all people longing for peace and economic and political reform, but also the irreversible law and trend of the development of the international situation.

First, facts have shown that the method of settling international disputes with military means no longer works. The great nation hegemonism is now strongly opposed by people everywhere in the world. A war between two small countries can produce no winner. The Soviet Union cannot conquer Afghanistan and nor can Vietnam conquer Cambodia. Iran and Iraq have been locked in a war for 8 years with neither side winning. The United States and the Soviet Union have been locked in confrontation day and night for 40 years with neither side conquering the other. Because the United States and the Soviet have been wantonly engaged in military aggression and a cold war for many years, they have weakened each other's national strength, fomented hatred between their peoples, and missed many favorable opportunities. As a result, some of their economic rivals have taken advantage of their confrontation to catch up with them in economic terms.

Second, in the world today, military might no longer remains the solely important manifestation of a country's national strength. As far as military might is concerned, the United States and the Soviet Union are now recognized as the two biggest military powers in the world. However, as far as comprehensive national strength, especially economic strength, is concerned, both the United States and the Soviet Union have fallen well behind many other countries in the world. The United States and the Soviet Union now look like two dropsical, fat men. From the respective figures of the gross national product of the United States and the Soviet Union, we can probably discover the basic trends of the development of the U.S. and the Soviet economies. In 1980, the United States' gross national product was recorded at \$ 2587 billion and Soviet Union's at \$ 1552 billion; Japan's gross national product was recorded at \$ 1155 billion. Six years later, in 1986, the U.S. gross national product was recorded at \$ 4208.5 billion and the Soviet Union's at \$ 2205.9 billion and Japan's at \$ 1962.8 billion. One year later, in 1987, the



U.S. gross national product was recorded at \$ 4526.7 billion and Japan's at \$ 2700 billion. The Soviet Union has not yet published its gross national product for 1987. However, calculated on the basis of the average annual growth rate of the Soviet Union's gross national product in the past 10 years, which has been on the decrease, the Soviet Union's gross national product for 1987 is estimated to have probably fallen behind that of Japan.

Japan has obvious superiority in foreign trade, finance, foreign investment, and some other fields in the world.

Third, more and more countries in the world have come to realize that the development of productive forces is the only way of achieving rapid national development. Some big powers in the world have begun to shift from military contention to the contention of comprehensive national strength. Because economic development is the basis of other types of development, the economy has now become the battlefield. Former U.S. Defense Secretary Harold Brown once said: "It is quite obvious that the present international situation is becoming increasingly complicated. In many fields of contention, the country we should closely watch is not the Soviet Union but Japan, and to some extent, Europe."

Fourth, the new development of science and technology has become a strong motive force for worldwide readjustment and reform. It is anticipated that the scientific and technological revolution will experience a new take-off in this century. The development of electronic technology, biological engineering, new materials, and many other basic and applied sciences are now opening up brighter prospects for the further advancement of mankind. The rapid development of the natural sciences has not only become a new challenge to the social sciences but also has had an invaluable impact on the development of the productive forces, production relations, international relations, and social life. With its superb speed and abundant contents, such a rapid development of science and technology, including the information revolution, will certainly push forward with the intellectual and ideological exchanges of mankind. Such a rapid development of science and technology will also pound at various outdated and ossified traditions and various outdated ideologies and usher in a new hope for the further advancement of human society.

Since a lot of new changes have taken place in the world, people cannot help thinking very carefully in order to cope with these new changes. It would be impossible to realize national development without a peaceful environment and without carrying out reform. The struggle to seek prolonged international detente is a long-term one. In order to further domestic reforms and overcome various difficulties in the course of their domestic reforms, people need to pool more wisdom and information and make more unwavering efforts. The new situation will probably present not only new opportunities, but also new challenges to people. It all depends on human effort. Both states and individuals are now facing a severe test.

**'Roundup' on East-West European Cooperation**  
*OW2010193988 Beijing XINHUA in English*  
1238 GMT 20 Oct 88

["Round-up: New Development in East-West European Cooperation (by Le Zhude)"]—XINHUA headline]

[Text] Brussels, October 19 (XINHUA)—Agreements between the European Community (EC) and the Council of Mutual Economic Assistance (Comecon) are opening up new avenues for trade and economic cooperation between West and East European countries.

Since June 25, when Comecon agreed to establish relations with the EC, the Soviet Union and other East European countries have been building their own diplomatic relations with it.

On September 26 Hungary became the first to sign an agreement on trade and economic cooperation with the EC. Now Czechoslovakia, Bulgaria and Poland are negotiating similar agreements; Democratic Germany has expressed a desire for one, and the Soviet Union has contacted EC unofficially about a cooperation agreement "with a range as large as possible."

Most of these East European countries have also enacted laws protecting the establishment of jointly funded enterprises with the West.

According to Belgium's Foreign Trade Department, EC and six Comecon countries, not including Democratic Germany, have opened up 175 jointly-funded enterprises.

Jozsef Marjai, deputy chairman of the Council of Ministers of Hungary, said at the signing ceremony of the EC - Hungary agreement: "The total abolition of political and military antagonism and of the economic, scientific and technical separation created between the two parts of Europe could allow our continent once again to play its historical role in the evolution of civilization."

Willy de Clercq, EC's external relations commissioner, predicted that cooperation between Eastern and Western Europe would strengthen their interdependence and disperse an atmosphere of hostility and non-confidence.

Of course, the desire to develop trade relations and cooperation between the two parts of Europe comes out of mutual needs in economy and politics.

In competing with the United States, the Soviet Union needs to import both funds and technology. However, East European exports to EC, mainly fuels and raw materials, have been hit by the falling prices of such products at world markets, the export income of Comecon countries in Europe decreased in 1987 by 27.8 percent over 1985.

Yet foreign debt in these countries increased to 102 billion U.S. dollars in 1987 from 61 billion U.S. dollars in 1984. Unless the East European countries can strengthen industrial cooperation with Western Europe and increase export of industrial products, they will not be able to enhance their economic strength or be able to pay back their debts.

The Soviet Union and East European countries are also concerned about protectionism that may result when the EC establishes its unified market in 1992. On October 11, Soviet leader Mikhail Gorbachev expressed concern over the possibility of the EC's locking itself up in such a market.

The French newspaper "LIBERATION" editorialized that the Soviets are playing the card of the European unified market before the United States so as to shake the U.S. - European alliance.

At the same time, the EC wants to use the relaxed state of tensions between the East and West to open up markets in Eastern Europe. The Belgian newspaper EVENING NEWS said that no businessman with a clear head would neglect a potential market with 280 million residents and give it up to competitors.

De Clercq pointed out that the agreement with Hungary, which is undertaking major reforms, is a "political signal" for other East European countries, encouraging them to continue their reforms and open further to the West.

But difficulties still remain. Trade volume between EC and Comecon nations has been falling over the past few years. De Clercq noted that lack of foreign exchange, weak competitive ability of products, heavy debt in East European countries and a drop in prices of raw materials at world market are chiefly responsible.

He also said that differences in economic systems, poor communication facilities and a lack of professional skills among workers often disappoint Westerners who run jointly funded enterprises in East European countries.

Nevertheless, reports said that Federal Germany and Italy provided 1.6 billion and 775 million U.S. dollar trade credit for the Soviet Union this month and British banks were to supply the Soviets about 2.6 billion U.S. dollars in export loans.

The strengthening of East-West European cooperation is also making the United States uneasy. It worries that the Soviet Union will use technology gained from West European countries, especially strategic technology, to strengthen its national power.

Some of the West European states are also reluctant to run the risk of transferring their technology.

Up to now EC says it is "premature" to consider negotiations on technical cooperation. So, as Commission President Jacques Delors says, the EC still keeps a policy of cooperation and vigilance towards the Soviet Union and other East European countries.

**South Koreans, U.S. Soldiers Clash in Seoul**  
*OW1710115988 Beijing XINHUA in English*  
0810 GMT 17 Oct 88

[Text] Beijing, October 17 (XINHUA)—A clash between South Koreans and U.S. soldiers Saturday in Seoul's shopping and entertainment area of Itaewon left one South Korean and a U.S. soldier hospitalized, according to reports reaching here today.

The reports quoted a U.S. military spokesman as saying an alleged argument between a South Korean taxi driver and a U.S. soldier escalated into a fight between four American servicemen and South Koreans.

South Korean police said that a Korean suffered a serious head injury after he was hit with a broken bottle by a U.S. soldier and that another U.S. soldier had his left arm broken.

The U.S. military spokesmen said South Korean police apprehended the suspects and dispersed the sizeable crowd that had gathered.

Police said the soldiers were booked and released to the custody of the U.S. military authorities.

### United States

**XINHUA Views Bush Lead Over Dukakis**  
*OW2110021488 Beijing XINHUA in English*  
0043 GMT 21 Oct 88

[Text] Washington, October 20 (XINHUA)—U.S. Republican presidential candidate George Bush leads his Democratic rival Michael Dukakis by 52 percent to 45 percent, according to the WASHINGTON POST and ABC News weekly poll released today.

The poll, conducted between October 12, the day before the second presidential debate, and Tuesday night [13 October—FBIS], showed the Bush lead to be virtually unchanged all month.

However, the poll showed that Bush has made inroads among voters on a number of fronts.

Three of five voters said they have a favorable impression of Bush, the highest favorable rating he has had this year, while only 45 percent of those surveyed have a similarly positive view of Dukakis.

The poll found no significant shift in voter sentiment after the second presidential debate, which voters said by a 3-to-1 ratio was won by Bush.



According to the poll, more than three out of four likely voters said Bush has the experience to be president, and nearly three out of five said he can be trusted in a crisis, while only 43 percent of likely voters agreed that Dukakis "had the right kind of experience to be president" today, compared to 56 percent who expressed that view in May.

But despite those results, the race remains fluid. About a third of each candidate's supporters only weakly support their choice, and one out of five said they could change their minds before election day on November 8.

Other latest polls all showed Bush takes the lead. The NBC and WALL STREET JOURNAL poll conducted October 14-16 showed Bush leads Dukakis by 55 percent to 38 percent.

The Gallup poll gave Bush a 49 percent to 43 percent lead over Dukakis; THE LOS ANGELES TIMES poll showed Bush leading Dukakis by 44 percent to 41 percent, while THE NEW YORK TIMES and CBS News poll gave Bush a 47 percent to 42 percent lead over Dukakis.

### **Soviet Union**

**Delegation Arrives in USSR for Border Talks**  
OW2010172188 Beijing XINHUA in English  
1634 GMT 20 Oct 88

[Text] Moscow, October 20 (XINHUA)—A Chinese delegation headed by Deputy Foreign Minister Tian Zengpei arrived in Moscow today for the third round of border talks.

The delegation was greeted at Moscow airport by Soviet Deputy Foreign Minister Igor Rogachev and Li Fenglin, charge d'affaires ad interim of the Chinese Embassy.

The last round of border discussions between the two neighbors were held in August 1987. [sentence as received]

**Suifenhe City Develops Trade With USSR**  
SK2010112988 Harbin Heilongjiang Provincial Service  
in Mandarin 2200 GMT 19 Oct 88

[Summary] Suifenhe City in Heilongjiang Province has achieved rapid development in border trade with the Soviet Union. The city's import and export volume from January to September this year reached 100 million Swiss francs. Since the provincial authorities' approval of the city's authorization as an independent port to carry out trade with the Soviet Union, Suifenhe City has carried out trade with the Soviet Union on four occasions, with a volume of 8 million Swiss francs.

Since this April, the city has achieved greater development in border trade with the Soviet Union. The highest trade volume during the period reached 71 million Swiss francs and the number of Soviet trade partners reached 22.

To date, the city has established business cooperation with enterprises and plants in the cities of Guangzhou, Shenzhen, Zhuhai, Shanghai, Tianjin, and Beijing. Several scores of enterprises and plants of these cities have opened trade offices in Suifenhe.

On 20 September this year, a 10-day export trade fair, which is the third-largest of the trade fairs of commodities exported to the Soviet Union, was held in the city. During the trade fair, more than 20 trade delegations from the Soviet Union visited the exhibition site. Some 400 plants, factories, and firms across the country joined in the trade fair and more than 20,000 commodities of various kinds were displayed. The trade fair also provided more than 150 economic and technical cooperation items for consultations.

**Economic Importance of Sino-Soviet Ties Viewed**  
HK2010122088 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0725 GMT 20 Oct 88

[Article by Yi Lan (0122 5695): "Improvement of Sino-Soviet Relations Bears Greater Economic Significance"—ZHONGGUO TONGXUN SHE headline]

[Text] A Sino-Soviet summit meeting may possibly be held next year. The development of this state of affairs has gained more and more of the world's attention. In particular, the United States, Japan, and the EEC are worried about the influence that the improvement of Sino-Soviet relations will have on the world. Actually, regarding Sino-Soviet relations, economic relations between the two sides might develop most rapidly. Data has shown that over the past 10 years, trade volumes between China and the Soviet Union have continued to increase. In 1985, their trade volumes were \$1.88 billion. In 1986, they increased to \$2.63 billion. Last year, the Soviet Union became the fifth greatest trade partner of the mainland. This year, there will be a further increase in their trade.

With the rapid improvement of Sino-Soviet relations, there is a great possibility for continued expansion in Sino-Soviet trade by a large margin.

The Soviet Union is rich in natural resources and is an economic power. China has imported a large quantity of Soviet commodities such as logs, steel, paper pulp, cotton, chemical fertilizer, complete plants and equipment (such as large power plants), and other commodities. It is good for China to have another trade partner, because Japan has monopolized the sale of iron and steel to China for many years. When China has an additional trade partner, it will be difficult for Japan to arbitrarily raise the prices of its iron and steel. Cloth, silk, garments, tea, meat, fruit, canned food, and various kinds of daily

necessities produced by China are also badly needed by the Soviet Union. Due to the fact that Soviet light industry is weak, we believe that China's electric appliances for family use and other daily necessities, which are developing very rapidly, will also enter the vast market of the Soviet Union.

The Soviet Union has demonstrated its positive intention to make investments in China. Apart from making investments to help us build railways in the Northeast, it has also expressed its desire to build an underground railway in Guangzhou, which requires a large investment. Lack of funds is the greatest problem that China will encounter in its economic development at least up to the end of this century. The positive act of the Soviet Union will enable China to have diversified sources of funds. There will be greater prospects for the cooperation between the two countries in the technical field.

Both China and the Soviet Union are countries that exercise control over their foreign exchange. After the expansion of their economic cooperation in the future, it is our belief that the method of using rubles and renminbi for quoting prices and settling accounts, which was employed in the 1950's and 1960's, will possibly be restored. This would not only be beneficial to easing the pressure on both sides caused by the lack of hard currency, but also to a still greater development of economic cooperation between the two countries.

At present, the national conditions of both China and the Soviet Union are different from those in the 1950's. They are carrying out reforms in political and economic fields. China suffered a lot from its previous practice of leaning only to one side in its foreign relations. Therefore, both Deng Xiaoping and Zhao Ziyang have stressed that it is impossible for China and the Soviet Union to form an alliance, and that their relations will not return to those of the 1950's. We can believe what they have said. An old Chinese saying goes: "With an additional friend, we have an additional path to follow. With fewer enemies, there are fewer walls to block us." China is widely making friends with other countries on the basis of the five principles of peaceful coexistence. The Soviet Union is just one comparatively important link in China's all-around diplomacy. Therefore, doubts and worries about the improvement of Sino-Soviet relations in the international community are uncalled for.

**Soviet Leadership Reshuffle Viewed**  
HK2110100688 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 42, 17 Oct 88, pp 26-27

[Article by Tang Xiuzhe (0781 0208 0772): "Important Soviet Organizational Measure To Promote Reform"]

[Text] The CPSU Central Committee held a plenary session on 30 September, and the Supreme Soviet held an unscheduled session. The two meetings made a series of major personnel changes.

Gromyko, an elder statesman who served under a number of leaders, retired from his official position as member of the CPSU Central Politburo and chairman of the Supreme Soviet. CPSU General Secretary Gorbachev took over the office of Supreme Soviet chairman, thus realizing the idea of making the party general secretary concurrently head of state as proposed by the 19th party delegation conference.

Together with Gromyko, Solomentsev, member of the CPSU Politburo and chairman of the party control committee; Demichev, candidate member of the Politburo and first deputy chairman of the Supreme Soviet; Dolgikh, candidate member of the Politburo and secretary of the CPSU Central Secretariat; and Dobrynin, secretary of the CPSU Central Secretariat, also retired from office. Meanwhile, Kapitonov, who took charge of cadre appointment during the Brezhnev era, was removed from the post of chairman of the party's central auditing commission.

In the personnel reshuffle, Medvedev, secretary of the CPSU Central Secretariat, was elected full member of the Politburo; Chebrikov, member of the Politburo, became a concurrent secretary of the CPSU Central Secretariat, but was relieved of the post of KGB chairman; the KGB chairmanship was passed to his KGB deputy, Kryuchkov; Lukyanov and Biryukova were elected as candidate members of the Politburo and relieved of their posts in the CPSU Central Secretariat. Lukyanov replaced Demichev as first deputy chairman of the Supreme Soviet; and Biryukova was appointed deputy chairman of the Council of Ministers and director of the Social Development Bureau. Vlasov, minister of internal affairs, was elected as candidate member of the Politburo and chairman of the Council of Ministers of the RSFSR [Russian Soviet Federated Socialist Republic]. Vorotnikov, former chairman of the RSFSR Council of Ministers, was shifted to the post of chairman of the RSFSR Supreme Soviet. Pugo, first secretary of the Latvian Party Central Committee, was transferred to the post of chairman of the CPSU Central Party Control Committee.

Since Gorbachev became CPSU Central Committee general secretary in March 1985, 12 Central Committee plenary sessions have been held, and different degrees of personnel changes have been effected in 10 of the sessions. The recent plenary session made the greatest and widest changes. Through personnel changes in the past years, only three of the current 21 members and candidate members of the Politburo and secretaries of the Secretariat, namely Gorbachev, Shcherbitskiy, and Shevzdnadze, were left from the leading body of Brezhnev. All other 18 members of the leading group were elected after Brezhnev's death.

When Gorbachev became general secretary, although he did not immediately take over the post of the Supreme Soviet chairmanship as his predecessors did, he frequently received foreign senior delegations and important leaders and held four summit meetings with the U.S.



President to sign the INF treaty with the United States. This time, he formally became the head of state, which was not surprising to the outside world. At the Supreme Soviet session on 1 October, he said that the concurrent holding of the top post of the state makes him "clearly aware of his heavy responsibilities" and that he would do his utmost to "strengthen and enhance the prestige of the Soviet and make it a real organ that represents the people's full rights." It is self-evident that Gorbachev is now shouldering heavier burdens than when he first started to lead the Kremlin.

The Central Committee plenary session on 30 September also made a decision on setting up six commissions under the Central Committee and reorganizing other organs under the Central Committee. The six commissions are the Commission for Party Consolidation and Cadre Policy (chaired by Razumovskiy), the Commission for Ideology (chaired by Medvedev), the Commission for Socioeconomic Policy (chaired by Slyunkov), the Commission for Agricultural Policy (chaired by Ligachev), the Commission for International Policy (chaired by Yakovlev), and the Commission for Legal Policy (chaired by Chebrikov). The chairmen of the six commissions are all secretaries of the Central Secretariat. Apart from Razumovskiy, a candidate member of the Politburo, the other five chairmen are all full members of the Politburo. Medvedev announced at a press conference that the CPSU Central Committee would set up a number of departments corresponding to the six commissions and would streamline the organizational structure of the party central leading body. Each commission is led by one person with clearly defined responsibilities and functions. This will enable them to make timely decisions and take rapid action. It will not be necessary to submit all issues to the Politburo for discussion before they can be solved.

[Text] Through the personnel changes, Ligachev and Yakovlev, members of the Politburo and central secretaries who were formerly in charge of ideology, are now no longer responsible for ideological work. This has had strong repercussions. People noted that Ligachev and Yakovlev had had differences on a series of issues; some of these differences were brought into the open in the press. Medvedev, who was formerly responsible for relations with other socialist countries and had experience in ideological work, was transferred to take over the job from Ligachev. This was obviously a major step taken by Gorbachev. At the press conference, Medvedev said: It is still too early to talk about my duties, plans, and ideas at this moment, and everything must be first considered thoroughly. But one point is clear, that is, the line of reform, democratization, and openness in the field of ideology will continue.

Another question that many people are concerned with is the following: Will the secondary leader in the party be changed? Medvedev explained: When the general secretary is absent, he asks one of the Politburo members to chair the meeting. This has been the usual practice in the

past and will be maintained in the future. As to whether Ligachev's position as second-ranking party leader has been changed, Medvedev said that Ligachev had also supervised agricultural work in the past and would now concentrate on this work.

Various signs show that the CPSU Central Committee plenary session and the Supreme Soviet meeting were convened on short notice. The foreign minister had been attending the UN General Assembly, the defense minister had been visiting India, and the general chief of staff had been visiting Sweden. They were all called back home urgently.

In an interview with LIAOWANG, Falin [3127 2651], chairman of the Soviet Journalists Association, talked about the two reasons why the two meetings were convened suddenly. He said: "When making an inspection tour in Siberia, he [Gorbachev] found the process of change for the better too slow. In various districts and regions, from the border areas to every part of the Soviet Union, officials lacked a sense of urgency in meeting the demands of the residents. The results of work are directly contingent on the specific people who are in charge. So after returning to Moscow, he felt that if things were delayed, reform would become empty talk and bogged down in endless controversies."

Gorbachev recently pointed out: The reform in the Soviet Union has entered a new stage and needs to actually be advanced to improve work in all fields. In particular, things that are related to the people's living conditions cannot be bogged down in endless discussions and orations at mass rallies. He criticized those who attacked reform from either a "rightist" or "leftist" point of view and emphasized that "talented leaders are urgently needed in every sphere of activity." Therefore, Gorbachev immediately reshuffled the personnel in the top leadership and adapted the leading body to the needs of the reform.

Journalists and diplomats in Moscow regard the personnel changes as a big victory for Gorbachev. Soviet economist Popov, who ardently advocated reform, commented on the essence of the leadership reshuffle by saying: "After the reform began, for the first time an environment was created to turn the possibility of passing a main, basic, and democratic reform program into a reality."

### Northeast Asia

**DPRK Welcomes Proposal by S. Korea President**  
*OW1610180788 Beijing XINHUA in English*  
0852 GMT 15 Oct 88

[Text] Pyongyang, October 15 (XINHUA)—The Democratic People's Republic of Korea yesterday welcomed an offer by South Korean leaders to come to Pyongyang for a summit meeting.

A statement by the DPRK Committee for the Peaceful Reunification of the Motherland said, "we have noted South Korean authorities' hope for a top-level summit' and deem it worthy of being welcomed."

South Korean "President" No Tae-u said October 4 in Parliament that he was prepared to visit Pyongyang for a meeting with DPRK President Kim Il-song to discuss mutual non-aggression and reunification of Korean peninsula.

The statement said that it was necessary to hold a North-South summit to ease the political and military confrontation between the two sides.

It insisted that the national security (anti-communist) law which undermined North-South dialogue be abolished and stressed that the success of the talks depends on Seoul's attitudes.

**Seoul 'Satisfied' With Reaction**

OW1710222688 Beijing XINHUA in English  
1518 GMT 17 Oct 88

[Text] Pyongyang, October 17 (XINHUA)—South Korean authorities fully affirmed the positive reaction of the Democratic People's Republic of Korea (DPRK) towards Seoul's offer to hold a top-level North-South summit meeting, reports reaching here from Seoul said.

According to a South Korean official Saturday, Seoul is satisfied that Pyongyang did not accuse South Korea in its statement that welcomed a top-level North-South summit, and it regards Pyongyang's attitude shown in that statement as significant.

The statement, which was released Friday by the DPRK Committee for Peaceful Reunification of the Fatherland made it clear that the DPRK welcomed the desire expressed by No Tae-u in a parliamentary speech on October 4 to come to Pyongyang for a top-level North-South summit.

The South side has noticed the North side's prerequisite for holding the summit that South Korea should abandon the national security law and the anti-communism law and it will keep a close watch on the DPRK's intentions, the South Korean official said.

**DPRK Paper Calls for Nonaggression Draft**

OW1710120288 Beijing XINHUA in English  
0805 GMT 17 Oct 88

[Text] Pyongyang, October 17 (XINHUA)—The Korean newspaper "NODONG SINMUN" said today that drafting a declaration of non-aggression needed to be solved first in the relations between the two Korean sides.

Commenting on trade between the two sides, the paper said that any measure to be adopted should serve the reunification of the country.

Both sides should discuss drafting the non-aggression declaration to eliminate military confrontation and ease tension on the Korean peninsula, the commentary said.

South Korea announced October 7 that private firms could conduct trade with the Democratic People's Republic of Korea and proposed talks to promote economic exchanges between Pyongyang and Seoul.

South Korean Economic Planning Minister Na Ung-pae said that the South will not impose import tariffs on commodities made in the North and ships from the North will be allowed to call at Southern ports to trade, and businessmen of both sides will be permitted to trade through third nations.

**'Working Plan' Signed With DPRK Ministry**

OW2110120088 Beijing XINHUA in English  
0901 GMT 21 Oct 88

[Text] Pyongyang, October 21 (XINHUA)—A 1988-1989 working plan between the ministries of public health of the Democratic People's Republic of Korea and the People's Republic of China was signed here Thursday.

Qu Yingqi, China's vice minister of public health, and his Korean counterpart, Kim Yong-ik, were present at the signing ceremony.

**Party Workers Delegation Leaves for Pyongyang**

OW2010145388 Beijing XINHUA in English  
1042 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—A delegation of workers of the Chinese Communist Party (CPC) led by Chen Zuolin, deputy secretary of the CPC Central Commission for Discipline Inspection, left here for Pyongyang by train this afternoon for a goodwill visit.

The delegation is guest of the Central Committee of the Workers' Party of Korea.

**Joint Trade Office Reportedly To Open in Seoul**

OW2010143788 Tokyo KYODO in English  
1254 GMT 20 Oct 88

[Text] Hong Kong, Oct. 20 KYODO—China has decided to set up a trade office in Seoul by the end of the year, an informed Chinese source here said Thursday [20 October].

However, the source, who asked not to be named, said the office will be established not by the semigovernmental China Council for Promotion of International Trade, but by a private body formed by the Council early this year, out of consideration for North Korea.

The new body is similar to a chamber of commerce and industry, he said.

The source made the remarks in reference to the current visit to Seoul of Xu Dayou, vice chairman of the Chinese Council, which is reportedly intended for talks with Korea Trade Promotion Corp. (Kotra) on the mutual establishment of trade offices.

He also said the trade offices to be mutually set up in Beijing and Seoul will probably be empowered to issue visas.

**Chen Muhua Meets Japanese Banking Delegation**  
*OW2010110588 Beijing XINHUA in English*  
0833 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—Chen Muhua, vice-chairman of the Standing Committee of the Chinese National People's Congress, met here today with a delegation from the Long-term Credit Bank of Japan headed by its president Mamoru Sakai.

The delegation arrived here yesterday to hold business talks with the People's Construction Bank of China and other financial departments and give academic reports.

**Japanese Troupe Feted in Beijing**  
*OW2010194288 Beijing XINHUA in English*  
1554 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—Liu Deyou, vice minister of culture, gave a banquet here this evening in honour of the Japanese Four Seasons Troupe which is making its first tour of China.

The visiting troupe will put on its first performance, "Hans Christian Andersen", coming Saturday at the Nationalities Palace of Culture.

**Sub-Saharan Africa**

**Yang Shangkun Fets Visiting Angolan President**  
*OW2010203888 Beijing XINHUA in English*  
1606 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—Chinese President Yang Shangkun hosted a banquet for visiting Angolan President Jose Eduardo dos Santos and his party here tonight.

In his speech at the banquet, Yang stressed that the Chinese Government and people are always concerned about the situation in Southern Africa.

China is delighted to see that along with developments in the international situation, the trend of seeking a peaceful solution in southern Africa through negotiations and dialogues is growing, he said.

"We hope the relevant negotiations and dialogues will lead to a just and reasonable solution in southern Africa," he added.

He said the Chinese Government and people highly appreciate and support various kinds of efforts and reasonable suggestions made by Angola and other southern African frontline states for easing regional tension and realizing the independence of Namibia.

He said the Chinese Government condemns the authorities of South Africa for their continued implementation of the system of apartheid, and calls on the international community to exert still greater pressure on the authorities of South Africa so as to force them to completely abolish apartheid, end the illegal occupation of Namibia as soon as possible and completely stop threatening and harassing Angola and other neighboring countries, thus bringing about peace and stability in southern Africa.

Yang stressed that consolidating and expanding unity and cooperation with African countries has always been an important part of China's foreign policy.

He said that since the establishment of Sino - Angolan diplomatic relations five years ago, friendship and cooperation between the two countries, based on the five principles of peaceful coexistence, have developed well.

The Chinese Government and people highly appreciate the significant contributions made by President Dos Santos in this regard, he added.

He assured the visitors that it is the Chinese Government's firm policy to continue to strengthen Sino - Angolan friendship and cooperation.

Dos Santos said: "Our arrival here is yet another expression of the long-standing unity, friendship and fraternal relations between our two peoples. Although we had some difficulties at a certain period, our two parties and peoples knew how to overcome them."

He continued: "At the present stage of development we are willing to give a new impetus to the friendly relations between our two countries and peoples."

He said that events in southwest Africa may have a profound influence on the whole region, adding that there still exist elements of tension and instability in the region because of the military and economic harassment by the South African regime and its illegal occupation of Namibia.

He said that the Angola Government has made its utmost efforts through political channels to help change the situation and put forward a variety of proposals. Thanks to these constructive proposals, it is possible for quadripartite talks between Angola, Cuba, South Africa and the United States to achieve substantial results.



"We maintain that the present difficulties can be overcome as long as every party cherishes bona fide hopes and reasonableness. However, past experiences in signing agreements with South Africa have taught us that we must be on our guard in such matters."

Prior to the banquet, President Yang Shangkun hosted a grand welcoming ceremony in the Great Hall of the People in honor of President dos Santos and his party. After the ceremony, Yang held a talk with Dos Santos. Yang said he believed that Dos Santos' current visit will open a new chapter in the annals of Sino - Angolan friendly relations.

President Dos Santos arrived here this afternoon for a five - day official visit at the invitation of Yang Shangkun. He is the first head of state of Angola to visit China since his nation gained independence and established diplomatic relations with China. Accompanying him is Minister of External Relations Afonso Van Dunem M'Binda, and other senior officials.

**Culture Delegation Meets With Uganda's Museveni**  
OW2010225288 Beijing XINHUA in English  
1904 GMT 20 Oct 88

[Text] Kampala, October 20 (XINHUA)—Ugandan President Yoweri Museveni received the visiting Chinese Government cultural delegation led by Deputy Minister of Culture Gao Zhanxiang here this afternoon.

The meeting, which took place at the State House in Entebbe, 40 kilometres south of capital Kampala, was held in a friendly and earnest atmosphere.

During the meeting, President Museveni expressed his appreciation of the productive cooperation between the two countries.

The president also briefed the Chinese deputy minister on the economic development in Uganda as well as the problems now facing the government.

Gao Zhanxiang told President Museveni that the Chinese Government is ready to strengthen the friendly relations and cultural exchanges with foreign countries, especially the Third World countries.

Present on the occasion were Ugandan Minister of Youth, Culture and Sports Edward Kakonge, Minister of State for Foreign Affairs Tarsis Kabwegyere and Chinese Ambassador to Uganda Xie Youkun.

The four-man Chinese cultural delegation arrived here on Tuesday, as the first leg of its four-nation African tour.

## West Europe

**Mayoral Delegation Meets Businessmen in Paris**  
OW2110055788 Beijing XINHUA in English  
0228 GMT 21 Oct 88

[Text] Paris, October 20 (XINHUA)—A delegation of Chinese mayors met with leaders from industrial and commercial circles here today and called on them to strengthen economic cooperation between China and France.

Delegation head Guo Songnian, mayor of Qingdao in eastern China, described China's open policy and the efforts for reform now under way.

The mayors described their cities' situations and discussed possible cooperative programs. The delegation, in Paris since October 10, includes the mayors of Qingdao, Fuzhou, Shenyang, Wuhan, Nanjing and Suzhou.

**Switzerland Offers Fire-Prevention Aid**  
OW2010111588 Beijing XINHUA in English  
0743 GMT 20 Oct 88

[Text] Geneva, October 19 (XINHUA)—The Swiss Federal Council agreed today to contribute approximately 1.7 million U.S. dollars to China for prevention of forest fires, the Swiss Telegraphic Agency reports.

Specifically the aid will be devoted to the purchase of extinguishers, transport vehicles and to the training of helicopter pilots for the Chinese Forestry Ministry.

After a historical catastrophic forest fire in May of 1987, in the northern province of Heilongjiang, Switzerland and China exchanged delegations to investigate this catastrophe and to consult on methods of preventing a recurrence.

## East Europe

**Yang Shangkun, Hungarian Speaker Discuss Reform**  
OW2110063788 Beijing XINHUA Domestic Service  
in Chinese 1159 GMT 20 Oct 88

[By reporter Jiang Lurong]

[Text] Beijing, 20 Oct (XINHUA)—Yang Shangkun, state president, said here today that with the party having several decades of experience and the people united as one, China is confident that it will overcome the difficulties that have appeared in its current economic development.

At a meeting with the Hungarian National Assembly delegation led by speaker Istvan Stadinger, Yang Shangkun noted that China has made tremendous achievements in its 10 years of reforms, but problems have also appeared. Some of the problems have been expected; others have not, he added.

Speaking of the current problems of excessive production growth, large-scale capital construction, and currency inflation, he told the delegation that the 3d Plenary Session of the 13th CPC Central Committee has made a decision to take measures to solve these problems, but it takes time to overcome the difficulties.

Yang Shangkun said: The socialist road is not always smooth, and there is no fixed mold for socialist construction. Every country should decide how to proceed with economic construction in accordance with its own national conditions. China was once confined to a certain mold, which had both positive and negative sides.

He said: In the main, the negative side was that it could not bring the people's enthusiasm into full play. In view of this, China decided 10 years ago that reform be carried out first in rural areas to arouse the enthusiasm of peasants, who account for 80 percent of the population. It was not until certain achievements had been made in rural reform that China began to conduct reform in urban areas.

Referring to the relations between the two countries, he said that the two countries and the two parties of China and Hungary enjoy good relations, adding that Hungary has a lot of good reform experience from which China can learn.

Speaker Stadinger said that during this visit his delegation had seen Chinese people firmly engaged in reform. He said: Every socialist country has problems. The earlier the problems are discovered, the better. It should have specific measures to solve the problems.

He said that Hungary and China have common grounds as well as differences and that it is beneficial to strengthen friendship and cooperation between the two countries.

While in China, the delegation visited Beijing, Shenyang, and Shanghai. It will leave Beijing for home this evening.

Liao Hansheng, vice chairman of the NPC Standing Committee, was among those present on the occasion.

**Polish Politburo Member Meets Qiao Shi in Warsaw**  
*OW2010203488 Beijing XINHUA in English*  
0917 GMT 20 Oct 88

[Text] Warsaw, October 19 (XINHUA)—Polish Politburo member Josef Czyrek, met today with visiting Chinese Politburo member, Qiao Shi.

Czyrek told Qiao about Poland's ongoing reforms, saying Poland is at the stage of developing a Polish mode of socialism based on enhancing socialist democracy and pluralization.

In order to fully play the guiding role of the party, reform of the party itself must be carried on. He also said that system of consultation and dialogue is the party's strategy for maintaining close ties with the masses.

Qiao briefed Czyrek about the recent third plenum of the Chinese Communist Party, and China's present reforms.

He said the two countries have many common problems in their reform movements, and that it would be mutually beneficial to share in the results of their experiences.

Later in the day, Qiao met with another Polish Politburo member, Wladyslaw Baka, and discussed with him price and income reforms in their respective countries.

**CPC Secretariat Member Meets Romanian Editor**  
*OW2010203188 Beijing XINHUA in English*  
1042 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—Rui Xingwen, member of the Secretariat of the Chinese Communist Party Central Committee, met Oldeanv Ionita, editor of "REVISTA ECONOMICA" magazine, here today at the Great Hall of the People.

Rui briefed him on China's present economic situation.

Oldeanv Ionita arrived in Beijing October 17 at the invitation of China's newspaper "ECONOMIC DAILY" and is scheduled to tour Tianjin, Nanjing and Xiamen.

### Latin America & Caribbean

**NPC Delegation Arrives in Brazil 20 Oct**  
*OW2010230288 Beijing XINHUA in English*  
1635 GMT 20 Oct 88

[Text] Brasilia, October 20 (XINHUA)—A Chinese congressional delegation, headed by Bainqen Erdini Qoigyi Gyaincain, vice chairman of the National People's Congress Standing Committee, arrived here today for a seven-day official visit at the invitation of the Brazilian Senate.

During their stay, the Chinese delegates will meet with the presidents of the Senate and the Chamber of Deputies, and leaders of different political parties in Brazil's Congress. They will also meet with acting Brazilian President Ulysses Guimaraes.

The delegation also will tour the cities of Sao Paulo, Foz de Iguazu, and Rio de Janeiro in this third leg of their Latin America tour.

**Government Decides To Cut Expenditures**  
*OW2010155088 Beijing XINHUA in English*  
1516 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—The Chinese Government has decided to cut government expenditure in a bid to fight inflation and financial deficits, a high-ranking official announced here today.

Chi Haibin, vice minister of finance, told XINHUA that the expenditures by the local governments for capital construction with self-raised funds will be also tightened.

But, he did not disclosed by how many percent the central government will cut its expenditure.

Observers here commented that this is another major move by the central government to rein in the money market following its decision to control the institutional purchasing power this week.

That is a practical step made by the central government for clean government and stopping corruption, he added.

An official of the Ministry of Commerce said his ministry has sent out a call to all commercial departments and enterprises, urging them to stop those institutions and departments from buying high-grade consumer goods such as color TV sets and passenger cars without approval.

Local governments have also taken actions—some will not buy passenger cars and refrigerators with public money in the next three years and some will not buy leading brand liquors or cigarettes.

As for his own ministry, Chi said: "We will try to increase efficiency and get rid of bureaucracy."

The vice minister urged all departments to take immediate actions and try to control the financial deficit within eight billion yuan this year.

He also urged tax collectors to make extra efforts in collecting taxes.

**Party Organ Lands Model Communist Party Member**  
*OW2010084188 Beijing XINHUA in English*  
0721 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—A Chinese Communist Party member in rural Hebei Province was profiled today in the "PEOPLE'S DAILY" as a model example of how party members should behave.

The report, together with an accompanying commentary, reflect efforts by the Chinese Communist Party to tackle the issue of corruption among party members who are largely responsible for the diminishing respect for the party by ordinary people and to reestablish the authority of the party.

The party paper devoted much space to a report entitled "A Communist's Concept of Values" about Zhang Wuni, party secretary of Yudi Village in Zanzhuang County, who, the paper said, always put the interests of the party and people before his personal gain.

"Many more such people are needed for the prosperity of the nation, the development of the country and the success of reforms," the daily said in a commentary accompanying the report.

"The Communist Party's purpose to serve the people should not be cast aside," the paper wrote.

According to the report, Zhang has helped fellow villagers to become better off, even though at first he ran the risk of being criticized for "going capitalist".

Zhang, the paper wrote, is disabled and suffers from "a number of illnesses", but that does not prevent him from working hard. He leads a simple life even though many other villagers have themselves gained from his efforts. Zhang has a helping hand for anyone in trouble, be it financial or marital or for anyone with health problems.

Total industrial and agricultural output value in the village has increased from 3.5 million yuan in 1984 to an estimated 21 million yuan this year, and per capita income from 617 yuan four years ago to 2,100 yuan now.

Zhang, the paper said, is highly respected. During three months in hospital last spring, more than 1,000 people went to visit him, from provincial leaders to common villagers.

"China would be better if all party members behaved like Zhang and his Communist colleagues," "PEOPLE'S DAILY" quoted a villager as saying.

The daily said that the core role of party organizations and the model role of their members are both extremely important to the reforms. The economic development, success of reforms and standard of social morality in an area depend largely on whether or not the two roles can be brought into play, the paper said.

**Commentator on Strengthening Administrative Means**  
*HK2110092788 Beijing JINGJI RIBAO*  
in Chinese 7 Oct 88 p 1

[Commentator's article: "Strengthening Administrative Means Is To Promote Reform"]

[Text] The 3d Plenary Session of the 13th CPC Central Committee has strikingly decided to make the key points of the next 2 years' reform and construction improving



the economic environment and consolidating economic order. The practices of improving the economic environment and consolidating economic order should be combined with macroscopic regulation and control [tiao kong 6148 2235], which are to strengthen and improve the policies implemented during the period in which the old system is being changed into a new system. In addition, economic, administrative, legal, and disciplinary means, and means for ideological and political work should be comprehensively used, and they should be used at the same time. Moreover, experience should be accumulated through practice, and the ability to implement macroscopic regulation and control should be grasped and raised step by step.

Here, economic and legal means are very important. In addition, administrative and disciplinary means, and the means for ideological and political work, are also indispensable. In the period in which the old system is being changed into a new system, the old system has not been completely abolished, and the new system has not yet been established. The situation is naturally a "dual-track" one. If the use of macroscopic regulation and control [tiao kong 6148 2235] were turned into a unitary use of economic means and legal means, the expected results would not be obtained, and it is also not a practical method.

First, economic means and legal means are themselves in a mutually coordinated control system. At present, this system is not a perfect one; and it cannot be said that this system is under perfect command. Even when much experience is accumulated, if administrative means are abandoned rashly and at a premature stage, different degrees of a "vacuum" stage of the using of regulation and control [tiao kong 6148 2235], in which the old means can no longer play their role and the new means cannot play a role, will result. Second, economic means can really play a role when there is a corresponding perfect market mechanism and self-restraining mechanism. These mechanisms are still being formed and are in a transitional period. Similarly, legal means will play a greater role when the society's standard of legal system and its legal concepts are further raised. In these aspects, we still have to work hard for a long period of time. Third, and more importantly, any country, regardless of its level of economic development, cannot do without administrative management means and administrative intervention by government. Markets without constraints do not exist. In the period in which the old system is being changed into a new system, vitality should be aroused while constraints are required; and openness is needed while management is also required. The task of macroscopic control is very arduous; and administrative means should be further enhanced, not weakened. This is a practical practice, and also a practice formulated after observing the times and judging the occasion.

However, perhaps some comrades do not understand that administrative means and economic means supplement each other, and do not see that they will reach the

same goal by different routes. They also, consciously or unconsciously, regard economic means as the means for reform, and regard administrative means as old and backward means. Perhaps people will worry that the strengthening of administrative means will lead to the restoration of the old system and old mechanism. This understanding is obviously not on the right track, and such worries are also not necessary.

Strengthening administrative means does not mean that economic means, legal means, and other means are to be ignored. All of them are part of a whole system, and administrative means at present occupy an outstanding and important position. Strengthening administrative means also does not mean down-grading the importance of the all-around reforms which are implemented under leadership, and in an orderly and mutually coordinated way. To deepen the reform is to implement comprehensive reform in many aspects. In implementing reform, particular attention should be paid to deepening enterprise reform, which is to enable enterprises to establish a self-management mechanism, the mechanism of independence in profit and loss, and the self-constraining mechanism under the state's macroscopic control. With these mechanisms, enterprises' economic returns will be raised, their assimilation ability will be enhanced, and the phenomena of price spirals and restoration of price parity can be avoided. As a result, the state's macroscopic regulation and control [tiao kong 6148 2235] can achieve the desired results earlier. This consistency between reform and macroscopic regulation and control [tiao kong 6148 2235] is clear and definite, and that between reform and the strengthening of administrative means should also be clear and definite.

**Commentator's Article on Unified Action in Reform**  
*HK2110063988 Beijing BAN YUE TAN in Chinese*  
*No 18, 25 Sep 88 pp 4-6*

[Commentator's article: "Unify Action, Promote Reform"]

[Text] According to the spirit of the 10th Plenary Session of the Political Bureau, the CPC Central Committee and the State Council are studying and making arrangements for price and wage reforms. This step marks the deepening of China's reform and has an important bearing on the establishment of a new socialist commodity economic order and the speeding up of socialist modernization in China.

Over the last few years we have done some things in price and wage reform and made certain achievements. From practice everyone has come to understand that these two reforms are complicated systems engineering, have close links with the masses, involve many aspects, cannot be avoided, and must be instituted. Thus the whole nation is required to go into unified action to promote these two reforms in full coordination.

Price and wage reforms must be carried out with the support of the masses. For this reason, everyone should be made to understand the importance of straightening out prices according to value and the relationship between supply and demand, and to understand that only by implementing the principle of distribution according to work and resolving irrational problems in wage distribution, can we further adjust the industrial structure; bring the people's initiative into play; and promote the development of the productive forces. But we should not pay lip service only to improving the people's understanding; we should put into practice what we propagate.

More and more people now express their support for price and wage reforms. But what some of them do may not be in harmony with what they say. This is even more so when it comes to treating price reform.

Whether or not we can speed up enterprise reform and improve the economic results of industrial enterprises will have an impact on people's ability to withstand price and wage reforms. But some enterprises do not view their responsibilities this way. They do not tap their potential through reform but are instead raising the prices of products in short supply, thereby harming the interests of the state and their customers. Apart from this, people in some localities buy commodities from other localities at higher prices than others, and some commercial departments and "speculating officials" raise the prices of commodities at will. All this affects market stability and disrupts the process of price reform.

Reducing the scale of capital construction, limiting purchasing power of social groups, and stopping extravagance and waste have all prevented the excessive expansion of demand and have provided an indispensable economic and social environment for the smooth carrying out of price reform. Regardless of repeated instructions from the central authorities, some localities and units are still engaged in the construction of flats, halls, and offices and have not stopped using public money to buy cars and high-grade consumer goods and to entertain guests and present gifts, thus causing heavy pressure on the market and adding to the difficulties of price reform.

This order and environment is, obviously, detrimental to price reform. Similarly, wage reform should also proceed in an excellent environment and good order.

If localities, units, and individuals are allowed to disrupt the market and to aggravate the contradiction between aggregate social demand and aggregate social supply, price and wage reforms will be hampered. For the sake of reform, it is evident that we must improve the economic environment and rectify the economic order and be able to initiate unified action as soon as the central government issues the order.

In the minds of some comrades, a unified order and action contradict reform. This is a misunderstanding. Because different localities and units have different conditions, price and wage reforms must not be carried out in the same manner but in light of their specific conditions. But the overall situation must be taken into account and a unified program applied when taking major action.

The irrational price and wage systems must be reformed, and it is wrong to hamper them. A unified understanding must be reached on this point.

The central authorities' major measures, such as improving economic results, stopping loopholes in the circulation field, encouraging party and government organs to sincerely perform their duties, forbidding raising prices at will, resolving inflation, reducing the scale of capital construction, limiting the purchasing power of social groups, and controlling the growth of the consumption fund, must be implemented with unified action by strictly adhering to discipline; no one is allowed to act as he likes or to take "countermeasures against the measures of the higher authorities."

Evidently, the unified order and action referred to here is specifically what price and wage reform requires. Otherwise, it will be difficult to carry out these two reforms. This is like crossing a swift river. When there is no bridge or ferry, it is impossible to cross.

Lessons have been learned by many people who have failed in their attempt to cross a river without a ferry. In price and wage reforms, many localities and units are beginning to understand this point. They are rectifying their economic order according to the central authorities' unified instructions and are creating a good environment for these two reforms. Of course, there are still difficulties and dangers in the course of these reforms. Therefore cadres and the masses are required to make common efforts to overcome these difficulties and to cross the river of price and wage reforms.

Getting into unified action under the unified leadership of the CPC Central Committee and subordinating individual and local interests to the country's interests are where our strength to overcome difficulties and win victory lies, and they are our fine traditions as well. Today when reform is being deepened in an all-around way, we believe that Communist Party members and the people of various nationalities throughout the country will continue to display these fine traditions for the sake of promoting reform and speeding up modernization.

Marx said: "A concrete action is more important than drawing up a program." In price and wage reforms, which will take an arduous course, everyone of us, and every leading comrade in particular, is required to take practical action that corresponds to the needs of the party and the state.



**Journal Discusses Distribution Issues**  
HK2010103188 Beijing ZHONGGUO JINGJI  
TIZHI GAIGE in Chinese No 9, 23 Sep 88 pp 6, 7

[Article by Li Tieying (2621 6993 2503): "Seriously Study the Question of Distribution in the Initial Stage of Socialism"]

[Text] 1. On the Great Significance of Studying the Question of Distribution [subhead]

The question of distribution refers to workers' wages and the system of bonus distribution, as well as the division of interests between the center and the locality, between the state and the enterprise, and between the collective and the individual and the question of social welfare and insurance. It is actually a question of primary distribution and redistribution of the national income. The question of distribution involves directly the vital interests of each locality, unit, enterprise, and individual. To arouse the initiative of all fields, it is necessary to handle properly the question of distribution. Therefore, it is an economic problem as well as a social problem which has an important bearing on economic development and social stability.

Distribution according to work is the socialist principle for distribution. However, distribution under the old economic model was mainly carried out through administrative methods. Influenced by "leftist" ideas, the theories and forms embodying distribution in the initial stage of socialism were regarded as capitalist things, while the egalitarian "big pot" was regarded as a "fair" distribution principle and the "iron rice bowl" and unified welfare and social insurance were regarded as a superiority of socialism. As a welfare, egalitarian system divorced from labor, such a distribution dampened people's enterprising and competitive spirit and the initiative of all fields and hindered the rapid development of social productive forces.

With the development of reform, opening up, and commodity economy since the 3d Plenary Session of the 11th CPC Central Committee, the policy of allowing some people to become well-off ahead of others widened income gaps, had a great impact on the old distribution system, and effected changes in the distribution structure: A change in the aim of the distribution policy from insurance and "fairness" to stimulating efficiency and taking fairness into consideration, a change from an administrative distribution mechanism to a government distribution mechanism based on market distribution, and a change in workers' income from wages as the only source to various sources. However, egalitarianism is still the main problem in current distribution. Meanwhile, some new problems have emerged. First, the excessively high income of some units and individuals, which is in sharp contrast to that of the ordinary masses, lacks social adjustment and has given rise to the question of "unfairness" in distribution; second, apart from wages

and bonuses, there are allowances, subsidies, commission, welfare benefits, materials, shopping and tourist coupons, and cash, distributed without restraint, which lack necessary legislation and rules; third, the masses complain bitterly about the huge sums of money obtained illegally by a handful of people through improper means; and fourth, with increases in income, the consumption and expenditure structures are not properly guided and readjusted and are not transferred to development, thus increasing the pressure on consumption and producing a great impact on the market. If we fail to take note of this phenomenon and find a solution, it will exert a negative influence, undermine reform and opening up, and affect the smooth progress of economic structural reform. Hence, it is absolutely necessary to conduct a systematic study of the theory, mechanism, and structure of distribution and consumption.

2. On the Position of Reform of the Distribution Structure [subhead]

In the final analysis, the purpose of China's economic structural reform is to convert the old economic structure, unsuited to the development of productive forces, to a new structure suited to a socialist commodity economy. To effect this change, it is absolutely correct to invigorate enterprises, establish a market system, and transform macroeconomic management methods. The distribution structure is a question of distribution of interests which runs through these three factors. The essence of reform in every aspect is readjustment and redistribution of interests. Hence, the question of distribution constitutes the indispensable content of comprehensive and corresponding reforms. It serves as an essential tie organically linking the reform at the three levels. In our guiding ideology and practical methods, we should conduct a study of distribution by placing it in a position as important as the task of the three major reforms.

3. On Pushing Forward the Reform of the Distribution Structure [subhead]

First, it is necessary to strengthen the study and analysis of the theory of the initial stage of socialism. Labor creates wealth to satisfy people's material and cultural needs. Regarding the form and methods of social and individual distribution of social wealth, it is necessary to have a set of guiding theory and corresponding systems conducive to the development of productive forces.

Production determines distribution. The ownership structure in the initial stage of socialism should be based on public ownership and also encourage the development of cooperative, individual, and private economic sectors. Similarly, the forms of distribution should also be varied, based on distribution according to work. Here we should at least gain a clear idea of the following three questions: First, what does distribution according to work mean? How should we embody distribution

according to work under the conditions of a commodity economy? Does opposing egalitarianism and allowing some regions, units, and individuals to become well-off ahead of others embody the principle of distribution according to work? Second, as the initial stage of socialism acknowledges and allows nonlabor income, is it necessary to limit nonlabor income? To what scope should it be limited? Third, as China is now at the stage of economic development, should we stress efficiency or "fairness" in the distribution policy? Theoretically, we lack systematic and accurate expositions. As the task of the study is arduous, we must make some breakthroughs.

Second, it is necessary to make a comprehensive study of the distribution form and corresponding problems. Regarding the various relations in social distribution as a whole, we should conduct serious study, make relevant reform proposals, and gradually explore a good transitional paradigm for the substitution of a new system for the old one.

Third, it is necessary to study and formulate distribution laws and regulations. At present many people comment on the wide gaps in income emerging in distribution. 1) We should distinguish legal from illegal practices. How should inherited income, private banks, stock transactions, and private investment be readjusted? Do commission, tips, service charges, and other incomes which exist in business operations belong to nonlabor income? Should they be legalized? 2) It is necessary to establish the legal system to prohibit illegal income, adjust excessively high incomes by means of taxation, and subsidize those with low incomes. Under such conditions, we should particularly try to discover means of effectively restraining the distribution of government organs and state-owned enterprises and earnestly preventing corruption. To sum up, we must have necessary standards for distribution and definite stipulations in law.

Fourth, it is necessary to conduct a study of a rational social insurance system. For a long time we have distributed commodities such as housing and medical care as welfare benefits, which actually became a "supply system" in distribution, resulting in poor efficiency and extreme waste. Unless we make a breakthrough in this regard, it will be impossible to solve the question of rational socialist distribution and also be unbearable for social economic capacity. It is necessary to gradually establish a rational social insurance mechanism and corresponding organizational system, that is, to put an end to the implementation of the current supply system in distribution characterized by everybody eating from the "big pot," to provide social insurance to those with low income, and to prevent polarization and social turbulence. Moreover, we should develop all kinds of insurance companies, effectively muster social funds, increase the sources for the long-term capital market, ease the shortage of capital required for state construction, and improve the consumption structure. In the course of gradually increasing wages and straightening

out prices, we should break a path which offers fewer welfare benefits and subsidies and which combines consumption with income and income with labor.

Fifth, it is necessary to make comparisons of distribution carried out in countries with different social systems. Although there are many defects in distribution in capitalist countries, the restraining mechanisms in the distribution in some countries in Western and Northern Europe are better than ours. We should conduct careful study of this from theory to practice and from policy to structure, and draw on things that are useful to us.

In a word, the question of distribution is a major issue concerning economic development and social and political stability. We should pay close attention to the matter and coordinate and link the reform of the social distribution system with other reforms.

**Meeting on Urban Spiritual Civilization Ends**  
OW2110101988 Beijing XINHUA Domestic Service  
in Chinese 1605 GMT 19 Oct 88

[By reporter Guo Qinghua]

[Text] Hefei, 19 Oct (XINHUA)— The second experience-exchange meeting on urban spiritual civilization ended yesterday in Bengbu City, Anhui. More than 200 deputies from 90 cities across the nation indicated in discussions that improvement and rectification are the central tasks facing the party as a whole and the entire nation. Therefore, we must undoubtedly focus on these central tasks in building spiritual civilization in urban centers.

The deputies pointed out: It is necessary to give full rein to the party's strong political advantage in guiding the building of spiritual civilization, work hard to promote a good social order and atmosphere that is compatible with a good economic order, serve and "blaze a trail" for the party's central tasks, and ensure the successful completion of the tasks of improvement and rectification.

The deputies held that in building spiritual civilization in urban areas, we must focus on improvement and rectification and conduct education on the situation with the 3d Plenary Session of the 13th CPC Central Committee's guidelines as its central contents. It is necessary to know what the vast number of cadres and people think, and, proceeding from this, make an effort to analyze and answer the problems about which the people are concerned, dispel their misgivings and misunderstanding, and remove the psychological barrier to improvement and rectification in order to create a better social and psychological environment.

The deputies urged that we must exercise effective leadership in building spiritual civilization, enhance our understanding of the urgency and importance of building spiritual civilization, reverse the trend in some



localities of paying attention only to material civilization at the expense of spiritual civilization, and promote the two civilizations simultaneously in a down-to-earth manner.

**HK-11 Doppler Acoustic Radar Developed**  
*WA40080029 Beijing ZHONGGUO HUANJING*  
*BAO in Chinese 6 Aug 88 p 3*

[Article by Xi An (6932 1344): 'China Develops HK-11 Doppler Acoustic Radar']

[Summary] A Doppler acoustic radar has been developed by a joint effort of the China Environmental Sciences Research Institute and the Electronic Instruments Laboratory of Beijing University. This remote sensing technology, which first appeared in the seventies, is used for measuring meteorological data and can also provide important contributions in areas such as environmental protection, atmospheric physics, aeronautics and space, resource utilization, and nuclear power development. The HK-11 Doppler acoustic radar incorporates dual-frequency transmission technology and has an improved signal-to-noise ratio. Its main technical indicators have reached advanced international standards of the eighties; performance is comparable to that of France's Remtech acoustic radar and the U.S. company Environment's M2000 acoustic radar. Intense preparations for batch production of the HK-11 are currently underway, and the first domestically made HK-11 Doppler acoustic radars will soon go into use.

**Scientists Praise Successful Collider Experiment**  
*OW2010200988 Beijing XINHUA in English*  
*1446 GMT 20 Oct 88*

[Text] Beijing, October 20 (XINHUA)—The first successful experiment of Beijing's electron-positron collider (BEPC) last Sunday received wide attention from leading Chinese scientists, who hailed it as a "breakthrough" in China's scientific development.

"The construction of the BEPC is a great scientific project, and the work is as complicated as the building of China's first atomic bomb," said Professor Qian Sanqiang, a nuclear physicist who led research into China's nuclear weapons in the 50's and 60's.

The BEPC, a huge complex located in the west of Beijing, was built in a six-meter deep tunnel and is composed of tens of thousands of sophisticated components. It is used to study the fundamental structure of matter.

Professor He Zuoxiu, member of the Chinese Academy of Sciences (CAS), said that Chinese scientists solved many difficult technological problems during the construction of the BEPC. "Because its technological

requirements were higher than the existing colliders of the same type abroad, in order to complete the project Chinese physicists developed many new ideas and new methods," he remarked.

Referring to the future work after the completion of the BEPC, Professor Fang Shouxian, chief designer of the huge machine and head of the High Energy Institute under CAS, said that his institute will be built as a national laboratory and give support to users from both China and abroad.

Professor Sun Zuxun, head of the Chinese Institute of Atomic Energy, who was attending a national meeting on nuclear physics in Nanjing, said in a telephone interview that the BEPC has great academic value because it has stronger illumination and beam compared with similar colliders abroad. "On this machine Chinese scientists will be able to explore the innermost structure of matter, such as 'quark' and 'charm' particles, which are the fundamental building blocks of the atom," he pointed out.

**Article Views Study of Soviet Theorist Bukharin**  
*HK2110014788 Beijing RENMIN RIBAO*  
*in Chinese 14 Oct 88, p 5*

[Article by Xia Feng (1115 7364): "The Study of Bukharin in China"]

[Text] Bukharin was a thinker who was familiar to the Chinese people. As a fighter in the international communist movement, especially as a Marxist theorist, he had long attracted the attention of China's progressive intellectuals. Some of his important works were translated into Chinese and first published in the 1920's and early 1930's, with several of them being available in different Chinese versions simultaneously.

China's progressive publication house, "Xinqingnian" ["New Youth"] published Bukharin's works in the 1920's. As a work disseminating Marxism and introducing the experiences of the Russian revolution to China, "The ABC of Communism" by Bukharin and co-author Yevgeny Preobrazhensky, published in China in 1926, was chosen as a textbook for party education by the CPC Beijing City Party Community. In the same year, "On the Peasant Issue" was also published. "The Stability of Capitalism and the Proletarian Revolution" as well as "Lenin as a Marxist" were published in the following year. Other publishing houses also translated and published some of his works. Based on incomplete statistics, his theoretical work, "The Theory of Historical Materialism" was published in seven different Chinese versions between 1929 and 1932. Two Chinese versions of "The Political Economics of People Living on Interests" came into being in 1930. Also published in the same year were "The Road to Socialism and the Workers-Peasants Alliance," and "Imperialism and the World Economy."

At that time, some papers and journals linked to the inner-party struggles of the CPSU (Bolsheviks) and the assessment of Bukharin's concepts, regarded him as a "communist theorist" of the late 1920's who represented the moderates in the CPSU (Bolsheviks.) As a result, Stalin censured them as "right-wing compromisers," saying that Bukharin represented the peasants' interests; his defeat in the political arena signalized a basic change in Soviet policy toward the peasants. The journal "The Oriental" carried an article in 1930, stating: "When Russia implemented the 5-Year Plan, the government at first adopted a rather peaceful attitude toward the peasants and a policy showing leniency. But when this view, as advocated by Bukharin and Rykov, failed toward the end of 1929, the Soviet Government took measures to suppress the so-called 'kulaks.'" Those articles mostly fell into the category of news roundups; naturally they failed to make an in-depth analysis of the disputes and struggles inside the CPSU (Bolsheviks.)

We can see that the publication and study of Bukharin's works surfaced among China's philosophers and academic circles in the late 1920's and early 1930's. It was a pressing need of the Chinese philosophical circles to deepen their study of Marxism-Leninism while exploring the road to socialism in multiple directions. A rather interesting phenomenon surfaced at that time: With Bukharin losing his influences in the Soviet Union, his works were repudiated and even banned, whereas in China, people were vying to publish his works in a rather comprehensive way, including his works on current policies as well as philosophy and political economics. This showed that China's intelligentsia at that time maintained their independence.

In March 1938, the Soviet Union conducted the so-called "trial on the case of the rightists and Trotskyites, the anti-Soviet party groups" (the verdicts have now been reversed) and various Chinese papers covered the incident extensively. In the 4 decades thereafter, China did not publish Bukharin's works. He was branded and repudiated as "rightist opportunist", "Kulaks' agent," and "foreign spy", in accordance with the "History of the Communist Party of the Soviet Union (Bolsheviks)", in cadres' studies at institutions of higher education; in articles in the press in China's liberated areas and in the whole nation after the founding of the PRC. In fact, China did not earnestly study the inner-party struggles of the CPSU or the history of the Soviet Union during the period between the founding of the PRC and the late 1970's.

China went through various problems as a result of "Leftist" ideology, and suffered bitterly from 10 years of turmoil. It was not until China renewed an understanding of a series of issues concerning socialist construction that it began to independently contemplate the inner-party disputes of the Soviet Union as well as an understanding of Bolshevik leaders repudiated by Stalin; the first to be re-discovered was none other than Bukharin. Scholars found in his theoretical concepts that there were

other patterns of socialism to choose from, and that there had been another choice surfacing in the Soviet Union—the pattern proposed by Bukharin. It is out of the need to summarize historical experiences that Chinese scholars paid great attention to studying Bukharin's academic ideas.

Several undertakings were carried on simultaneously: Some scholars working hard at studying Bukharin's works resumed their contemplation of CPSU inner-party struggles. Translation of Bukharin's works undertaken at the Bureau for Translation of Marx-Engels—Lenin-Stalin's Works, while publishing houses were ready to break through the out-of-bounds area in the publication of Bukharin's works. Professor Su Shaozhi participated in the international academic symposium on Bukharin in Italy, and reported the contents of the symposium extensively at home. The Research Institute of Marxism-Leninism under the China Academy of Social Sciences ran a "study class on Bukharin" with 40 participants, and produced a number of researchers on Bukharin.

After some 50 years, China openly published Bukharin's first theoretical work "The Economy of the Transitional Period." The journal "DUSHU" ["STUDY"] carried a comment by Su Shaozhi in its 1981 No 2 issue, believing "the publication of this book signalizes the further emancipation of China's philosophical and publishing circles." The translation and publication of a series of Bukharin's works followed, which included "The ABC of Communism" (1982), "World Economy and Imperialism" (1983), and "The Theory of Historical Materialism" (1983). Particularly noteworthy is the publication of "Selections From Bukharin's Works," translated by the Research Institute of the History of the International Communist Movement under the Bureau for Translation of Marx-Engels—Lenin-Stalin's Works. The book in question is in three volumes; the first and second volumes are collections of his work on socialist construction, and the third on political economics, imperialism, and the world economy, in some 1 million characters all told. This has placed the translation and publication of Bukharin's works in China on a new level. Some scholars participating in the research class on Bukharin have translated and published two collections of Bukharin's works: "On Bukharin and His Thinking" (1982) and "A Study on Bukharin's Thinking" (1983), in which 37 papers and materials on Bukharin, written by scholars from all parts of the world are collected. China also translated and published Steven F. Korn's "Bukharin and the Bolshevik Revolution" in 1982.

At some academic symposiums in China in 1980, individual scholars began to propose the reassessment of Bukharin's case. A thesis entitled "On Several Issues Concerning Bukharin" by Zheng Yifan [6774 8381 0416] was carried in the No 1 issue of "SHIJIE LISHI" ["WORLD HISTORY"] in early 1981. The article affirmed Bukharin's place in history, believing that "Bukharin was a famous activist of the CPSU (Bolsheviks) and the Communist International, as well as a



Marxist theorist and economist enjoying world fame. He had an important place in the history of the international communist movement as well as the history of Marxist development." The author believed that Bukharin was free from the position of "semi-anarchism;" that his slogan "Get rich!" did not call for the return of capitalism; he did not spread the "theory of the class struggle extinguishing" as mentioned in the "History of the Communist Party of the Soviet Union (Bolsheviks);" and his theory that the development of the class struggle tends to relax gradually is Marxist; there is nothing wrong with his theory of "evolving into communism"; he did not advocate the theory that the kulaks might peacefully evolve into socialism. The author believes that the mistakes Bukharin committed in the course of the Revolution fell into the category of ideological understanding or methodology.

From then on, the press throughout the nation carried voluminous articles commenting on Bukharin and his thinking. Based on incomplete statistics, 52 theses were published between 1980 and 1986, of which 36 were published in 1981 and 1982. These involved almost every aspect of Bukharin, including his political, economic, and philosophical concepts. Some articles especially refuted the charges against Bukharin as the designer of the Three Fairies Lane coup d'etat [san xian xiang zheng luan 0005 0103 1574 2398 0052] and his attempt to murder Lenin.

Bukharin was a Marxist theorist and a proletarian revolutionary who committed some mistakes. Scholars share comparative unanimity in this assessment of Bukharin. However, the assessment of some of Bukharin's political concepts remain widely controversial. The most disputed issue is his concept regarding the class struggle in the transitional period. Several articles with different, contending views were carried in the 1981 No 6 issue of "SHIJIE LISHI" ["WORLD HISTORY"]. Some held that Bukharin's concepts of "peace between the classes" and "class cooperation under the proletarian dictatorship" are "entirely in violation of basic Marxist tenets." Others affirmed that the argument between Lenin and Bukharin concerning the issue of the state "was of great significance to defending and developing the Marxist doctrine of the state."

Bukharin's economic concepts have aroused great interest among scholars, and are universally regarded as the most valuable part of Bukharin's theory. He was the defender and interpreter of the New Economic Policy, which he developed in many ways. The so-called Bukharin pattern was in fact the pattern of Lenin's New Economic Policy. Scholars have fully affirmed Bukharin's original ideas as follows: Starting from Russia's national condition, he concluded that the socialism of the Soviet Union would be "a type of backward socialism," characterized by a slow rate of development and a rather long transitional period; hence the need to resolve the peasant issue. Based on this line of thinking, Bukharin adhered to Lenin's thinking on the cooperative, while

opposing Stalin's compulsory collectivization. He was for maintaining a mobile balance in economic construction, distributing social work in proportion, and building socialism by utilizing the market, commodity-money relation, and the law of value. These views are still of instructive value to us today.

Stalin's refutation of Bukharin's slogan "Get rich" had a strong impact on China. This accounts for the fact that over a long period of time China would not think of advocating becoming well-off in the rural areas. Having re-examined Bukharin's slogan, scholars now believe that the basis of it was to develop the entire national economy, especially to handle the relationship between industry and agriculture correctly; to promote industrial development with agricultural accumulation, while the former would in turn help the latter. Therefore, it was by no means a slogan advocating a kulak economy. However, individual scholars believe that it could be "a rather lopsided slogan," and lead to the intensification of exploitation.

Some articles have analyzed the several polemics inside the CPSU in the 1920s; the argument between Bukharin and Stalin between 1928 and 1929 has especially aroused scholars' attention. They share the view that this argument reflected the two patterns of the road to socialist construction. Bukharin's view fell more in line with the realities of the Soviet Union and Lenin's thinking in assessing the long-range nature of the transitional period; in affirming the roles of commodity economy and the law of value; and showed decisiveness in acknowledging the peasant issue. The majority of scholars agree with Bukharin's analysis of the causes of the crisis resulting from grain purchase, believing that the crisis resulted chiefly from irrational prices and taxation.

The argument between Bukharin and Preobrazhensky was a matter for concern among scholars. In his article entitled "The Polemics Between Economic Regulators in the Transitional Period in the Soviet Union in the 1920's," Cai Kaimin [5591 1956 3046] made an analysis of this issue that remains controversial to this day.

Several philosophers assessed Bukharin's theory on balance very highly. In his article, Cao Tianyu [2580 1131 0056] wrote that Bukharin's theory on political balance and economic balance has stood the test of half a century in practice, and proven to be "closer to the truth." Zhao Chengwen [6392 2052 2429] and Kang Rongping [1660 2837 1627] believe that, many ideas of the theory of systems [xi tong lun 4762 4827 6158] were contained in Bukharin's theory of balance, and his definition on the category of "systems" was proposed 10 years earlier than the similar definition on the theory of systems as proposed by Beitalongfei [6296 1044 2597 5481], the universally acknowledged father of the theory of systems. The application to systematic method was the unique characteristic of Bukharin's theory on imperialism.



The year 1988 marks the 100th anniversary of Bukharin's birth as well as the 50th anniversary of his death. His denunciation has been official reversed in the Soviet Union. The Chinese papers and journals have carried one article after another to introduce to the public the creative activities and miserable fate of this Marxist theorist. A pamphlet written by Fan Yuquan [5400 3768 0356] was published for the occasion. In early May this year, an academic symposium on Bukharin was jointly held by the Research Institute for the International Communist Movement under the Bureau for Translation of Marx-Engels-Lenin-Stalin's Works, Tianjin International Communist Movement Society, and the Political Education Department, Tianjin Teachers' University. Some 30 scholars from all parts of the country gathered to sum up the results of the study of Bukharin in China; to explore Bukharin's theoretical concepts and practice; and to exchange views on the causes of his failure. It was a pioneering effort and very significant in China.

China's study of Bukharin has zigzagged, just like the fate of Bukharin himself. However, history was fair. Since the late 1970's, China has unfolded research on Bukharin's academic ideas, with Bukharin reappearing in the image of a Marxist and a proletarian revolutionary in theoretical circles. China's research on Bukharin's theory is still continuing.

**Strengthening of Tourism Management Promised**  
OW2010195288 Beijing XINHUA in English  
1541 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—Chinese Vice Premier Wu Xueqian promised that China would further strengthen tourism management and improve tourism services to greet tourists from any country in the world.

Like the wider openness of China's economic activities with foreign countries, the country's tourism has also become wider open in the past few years, Wu said at a meeting with leading officials from the Federation of International Youth Travel Organizations (FIYTO).

The construction of some middle-level hotels is now underway and measures are taken to increase the air travel ability to meet the needs of the increasing number of tourists, the vice premier said. FIYTO is now convening its 28th annual meeting in Beijing. The meeting is the first of its kind ever held in China. Attending the meeting, jointly sponsored by the FIYTO and the China Youth Tourism Services, are more than 470 delegates from over 40 countries.

China's tourism services wish to enhance their cooperation and exchanges with FIYTO and other international tourism organizations, though China is not a full member of the FIYTO, the vice premier stated. The Sino-foreign cooperation and exchanges in tourism is an important integral part of China's policy of opening wider to the outside world, he added.

**Li Tieying Chairs Education Reform Briefing**  
OW2010235088 Beijing XINHUA Domestic Service  
in Chinese 0806 GMT 19 Oct 88

[By XINHUA reporter Zhao Wei and ZHONGGUO JIAOYU BAO reporter Yang Ruimin]

[Excerpts] Beijing, 19 Oct (XINHUA)—The State Council's Educational Work Research Group invited people from various circles in the capital to attend briefings over the past few days, and solicited their opinions regarding the deepening of educational reform and the development of educational undertakings.

Comrade Li Tieying, who is a member of the Political Bureau of the CPC Central Committee, state councillor, and minister in charge of the State Education Commission, presided over a briefing. He briefed people from various circles about the "train of thought on several questions regarding the deepening of educational reform and the development of educational undertaking."

Yan Mingfu, Hu Qiaomu, Zhou Gucheng, Lei Jieqiong, and Fang Yi were at the briefings. They also gave briefings to participants respectively from the NPC, the Central Advisory Commission, the CPPCC National Committee, and various democratic parties.

Over the past few days, the people from various circles freely aired their views and offered many valuable suggestions for reforming and developing China's educational undertaking.

Heartened by the central authorities' plan to formulate a strategy for developing education for the next 12 years until the end of this century, the participants praised the initiative to explore ways for deepening the reform and developing education by extensively soliciting opinions from various quarters and summing up the experience, and added that there are great hopes for reinvigorating and promoting education in China.

At the same time, the participants expressed concerned about problems that have emerged in the educational circles recently, such as weariness of school, indifference between teachers and students, weak moral education and political and ideological work, and poor quality of workers in various trades and professions. [passage omitted]

As for the budget on education, a question of universal concern, the participants urged the state to make determined efforts to increase the investment in education, reduce the scale of capital construction, especially office buildings, auditoriums, and guesthouses, and spend the money saved on education. [passage omitted]

Quite a few participants stressed that the training of a contingent of qualified teachers was the key to reinvigorating education. A pressing issue at the present is that of improving the teachers' social status and raising their salaries. [passage omitted]

The participants also held that while education is the foundation for all developments, secondary and primary education is the base for all education. In promoting education, it is necessary to give top priority to the basic education, and, at the same time, continue to develop the vocational and technical education. [passage omitted]

Li Tieying attended the briefings and heard opinions aired by people from various circles. On behalf of the State Education Commission, he thanked the participants for their kind concern and support for education. He said: Education is one of the key issues concerning whether or not the Chinese nation will be able to free itself from the passive historical position in the next century. We educators shoulder a momentous responsibility of raising the quality of the whole nation and training talented people for the social, economic, scientific, and technological advances in the 21st century. From now on until the end of this century, we will draw up an educational system suitable for the needs of the next century. Economic, scientific, and technical competition is, after all, competition for quality between nations. Only those capable of keeping their education current can usher themselves into the 21st century. Education is a gigantic social systems engineering project requiring the participation and support of all of society. Increased understanding of the importance of education and genuine respect for teachers are indicators of national awareness. People from various circles are encouraged to continue to make suggestion for developing education and to take part in discussions on education.

Attending the briefings were also officials from 20 ministries and commissions under the State Council, the CYL Central Committee, Beijing Municipality, and the China Educators' Trade Union. The State Education Commission's vice ministers, members serving concurrently, and some departmental and bureau level officials in Beijing were also at the briefings.

**Wang Zhen Addresses National Peasant Games**  
OW2110083488 Beijing XINHUA Domestic Service  
in Chinese 1409 GMT 16 Oct 88

[By RENMIN RIBAO reporter Jiang Zhengmao and XINHUA reporter Wang Yuelong]

[Text] Beijing, 16 Oct (XINHUA)—The first National Peasant Games of the PRC ended here today with gratifying results.

The closing ceremony of the national games was held at the Beijing University Gymnasium. Vice President Wang Zhen, as well as Li Ximing, Peng Chong, and Chen Xitong, attended the closing ceremony and presented prizes and sportsmanship and commemorative awards.

Sichuan's Wenjiang and six other basketball preliminary contest zones were chosen as the "best contest zones," and Xie Fang of Shandong and nine other athletes as the "best athletes."

The national games were sponsored by the Ministry of Agriculture, the State Physical Culture and Sports Commission, and the Chinese Peasant Sports Association. On behalf of these units, Xiao Peng presented souvenir cups to athletes.

In his closing speech, Wang Zhen said: Peasant athletes acquitted themselves very well at the national games in Beijing. It can be said that some future sports stars have glistered here. As a result of the national games, mass sports activities in rural areas will be better conducted, which will be conducive to raising sports levels in our country.

He pointed out: Through the grand national games, we have happily noted that the rural areas are full of vigor and vitality as a result of 10 years of persistent reform under the guidance of the line laid down by the 3d Plenary Session of the party's 11th Central Committee and that the broad masses of peasants now take a new mental attitude.

Wang Zhen expressed this hope: Party and government organizations at all levels will attach importance to improving the health of peasants by developing sports activities in rural areas in order to promote deepening of rural reforms and development of the rural economy. At the same time, rural areas should make full use of their favorable conditions to become fertile soil for cultivating sports stars and make a positive contribution to vigorous development of sports in China.

In conclusion, Wang Zhen said: The successful holding of the First National Peasant Games has opened a new page in the history of Chinese rural sports.

The flag of the national peasant games was handed over by Huang Chao, vice mayor of Beijing Municipality, to Han Nanpeng, vice governor of Hubei Province, where the Second National Peasant Games will be held in 1992.

**Leaders Hail Defense Industry Achievements**  
OW2010070288 Beijing XINHUA Domestic Service  
in Chinese 1218 GMT 17 Oct 88

[Text] Beijing, 17 Oct (XINHUA)—The Commission of Science, Technology, and Industry for National Defense today held a grand meeting in Beijing to mark its 30th founding anniversary.



Zhao Ziyang, Yang Shangkun, Li Peng, Chen Yun, Li Xiannian, Peng Zhen, Xu Xiangqian, Nie Rongzhen, Wang Zhen, Bo Yibo, Zhang Aiping, Hong Xuezhi, and Liu Huaqing sent either congratulatory letters or inscriptions to the meeting. They highly praised the vast numbers of researchers, workers, cadres, as well as commanders and fighters in the defense-related scientific, technological, and industrial fronts for their revolutionary spirit of self-reliance, hard struggle, and unselfish sacrifice. Besides, they fully recognized their outstanding contributions to the modernization of national defense and motherland construction and encouraged them to make more efforts in scoring new breakthroughs in defense-related science and technology rather than being self-complacent.

At the meeting, Ding Henggao, minister of the Commission of Science, Technology, and Industry for National Defense, reviewed the development of defense-related science and technology in the past 30 years. He said: Under the correct leadership of the CPC Central Committee, the State Council, and the Central Military Commission, and with the cooperation from various departments and localities across the nation, China has not only established a sound defense industry with research, testing, and production units supporting each other but has also trained a number of quality research personnel. Armed with a fine traditional workstyle, the research personnel have quickly adapted themselves to new strategic changes in the course of reform and opening to the outside world and contributed to national economic construction and advances in science and technology.

Ding Henggao said: People in the defense-related scientific, technological, and industrial fronts have researched and manufactured large amounts of weapons and equipment, thus providing necessary conditions for the PLA to develop from a single branch of service—the Army—into a combined arms unit composed of the Air Force, Navy, Second Artillery Corps, and other technical arms. Besides, they have made breakthroughs in sophisticated technology and mastered technology concerning atomic bombs, hydrogen bombs, intercontinental ballistic missiles, satellites, and nuclear submarines, thus making China one of five nations possessing independent nuclear and space technology, safeguarding China's proper international status, and increasing its prestige in the world. He added: Up to now, China has successfully launched 24 satellites of various types, of which 11 have been precisely retrieved. The retrieval rate is 100 percent. In addition, China has conducted thousands of tests on conventional weapons. Over the past 30 years, we have yielded a series of major research results. During the "Sixth 5-Year Plan" alone, we won 300 national invention awards and 11 national natural science awards as well as 500 national scientific advance awards, or 27 percent of the nation's total. Furthermore, we were awarded 15 state awards of special grade, or 65 percent of the nation's total.

Liu Huaqing, secretary general of the Central Military Commission, delivered a speech at the meeting. Leaders of the Central Military Commission and the Commission of Science, Technology, and Industry for National Defense awarded the honorary medal and certificate of "dedication to defense-related research" to many research personnel who have worked for years on the first front of defense-related research and tests. They also gave honorary citations to more than 40 experts who have served as either chief designer or chief engineer in research, manufacture, and testing of weapons and equipment. Besides, 14 units and individuals that have made major contributions to defense-related science and technology were either conferred honorary titles or given first class merit citations.

**PLA Air Force Conducts Tactical Training**  
*OW2110081988 Beijing Domestic Service*  
*in Mandarin 0300 GMT 15 Oct 88*

[Text] The PLA Air Force's Airborne Force units recently underwent simulated tactical training, in which the red and blue forces opposed each other. This has enhanced these units' integrated operations capacity. Tactical training is a key approach to increasing the Air Force units' combat capacity during peace time. Aimed at improving their integrated combat strength, the Air Force's Airborne Force Units have changed the contents of tactical training to carry out combined exercises, strictly in accordance with the entire course of combat to enhance the capacities of Airborne Force units at all levels to handle complicated and varied situations in air operations. Training courses for the communications, radar, and other ground support personnel are also conducted in close coordination with air operations on the basis of various possible war situations. An integrated air and ground combat capacity has thus come into shape. Such synchronized and coordinated training exercises have resulted in a marked improvement in the abilities of the commanders and headquarters regarding tactical operations, strategy, and command. The training has produced a number of path-setting commanders with outstanding ability in running combat operations.

**Re-Employment for 20 Million Redundant Workers**  
*OW2110052188 Beijing XINHUA in English*  
*0910 GMT 20 Oct 88*

[Text] Beijing, October 20 (XINHUA)—The majority of China's 20 million redundant workers are expected to be re-employed in up to five years, according to today's "ECONOMIC INFORMATION."

Most of the workers have become surplus as a result of a recent nation-wide drive to streamline production.

"If all of these people have to live on relief funds (a 50 yuan monthly relief payment per person), then the state must spend 1.2 billion yuan a year on them—a burden too heavy for the state to shoulder," the paper said.



Some enterprises have begun to re-channel surplus workers into attached service trades or send them to labor markets to hunt for new jobs, the paper said.

During the first five months of this year, authorities in Shenyang have helped 15,000 such workers (or 40 percent of the total redundant work force) to find new jobs.

People too young to retire but no longer able to work are allowed to leave their positions three to five years before the normal retirement age (60 for men and 55 for women), the paper said.

Some enterprises are also allowing their female workers to take a maternity and child-raising leave lasting until their children begin school—with full wages paid for half a year.

**Article Encourages the Spread of Unemployment**  
HK2110065388 Beijing BAN YUE TAN  
in Chinese No 18, 25 Sep 88 p 30

[Article by Li Yanrong (2621 3508 2837): "I Hope 'Unemployment' Will Spread to All Parts of the Country"]

[Text] At present a number of people are talking about "crisis consciousness," saying that there is such a consciousness in the West, but there is a lack of one in China. In my opinion, the Chinese have a crisis consciousness, but they lack the mechanism giving rise to it. As every one has an iron rice bowl, how can you ask him to manifest his crisis?

You can see very few people on the streets of Shenzhen, which has a population of several hundred thousand. In a small county seat in the north with a population of only tens of thousands, however, you can see people busy the whole year round as if they are celebrating the new year and going to market. The different labor systems indicate the big difference in the trend of people's behavior and their behavioral rhythm.

In my opinion, unemployment should be included in China's labor system. Unemployment is an indispensable in the development of a commodity economy. Competition without unemployment is only a sham. Facing the rigid management system, I hope that unemployment will spread rapidly from enterprises to institutions, government organs, and the whole country.

**Article Suggests Shortening Working Hours**  
HK2110064988 Beijing BAN YUE TAN  
in Chinese No 18, 25 Sep 88 p 30

[Article by Wang Bensun (3769 2609 8113) of Jiangxi's Shangrao Railway Maintenance Section: "Shortening Working Hours Is Better Than Having No Jobs"]

[Text] The current situation in China's cities and towns is: Overstaffed organizations and too many workers and cadres with little work to do constitute a universal

phenomenon. However, there is a shortage of labor in many localities and a lot of work remains undone. How should this problem be solved? In my opinion, we should shorten the working hours: Work 6 hours a day and 5 days a week and have holidays by turns. By doing so the workers can have ample time to handle household chores and have sufficient energy to work within the shortened working hours. As a result, we can increase efficiency and also handle housework. This method is better than having no jobs.

**Article Assesses Improving Labor Composition**  
HK2110082388 Shanghai SHIJIE JINGJI DAobao  
in Chinese 10 Oct 88 p 14

[Article by Zhou Shulian (0719 0647 5571), director of the Industrial Economics Institute of the Chinese Academy of Social Sciences: "Pay Attention to the Study of Improving Labor Composition"—first two paragraphs are SHIJIE JINGJI DAobao introduction]

[Text] The reason for improving labor composition is to give full play to the superiority of the system, so that laborers can become the real masters of the means of production and really possess and correctly use the rights of laborers.

Socialism cannot eliminate unemployment at once. If we do it reluctantly, it will only cause adverse effects. Improving labor composition actually provides conditions for the real elimination of unemployment, so we should justifiably carry out the work to improve labor composition.

Many enterprises in all parts of the country are improving labor composition. Places that started improving labor composition at an earlier stage have obtained obvious results, and have raised many questions awaiting solution by further study. Enterprises and the relevant departments have requested comrades engaged in theoretical studies to pay attention to the study of improving labor composition. This request is rational.

**Improving Labor Composition Is a Requirement of the Deepening of Reforms [subhead]**

Some people regard the improvement of labor composition as merely an internal labor organization problem of enterprises. I think that this view is not comprehensive. Improving labor composition actually involves reform of the whole labor system and distribution system. It was put into practice in certain enterprises a few years ago, and has been widely emphasized since the beginning of this year. This is no coincidence, for it is a requirement and manifestation of the deepening of reforms.

First, it is of great importance to the deepening of reforms. There are two important aspects in launching enterprise reforms: One is to reform the external relations of enterprises, including the relationship between enterprises and the state; the other is to reform the

internal relations of enterprises, including enterprises' internal leadership system, labor system, distribution system, and so on. We always want to reform the management mechanism of enterprises, which includes both the external and internal relations of enterprises. If we do not carry out internal reforms of enterprises at the same time as their external relations are reformed, making it impossible to properly conduct reforms in the labor system and distribution system, it is impossible for enterprise reforms to be successfully carried out. So it is rational for some places to regard the improvement of labor composition as a breakthrough in deepening the existing enterprise reforms.

Also, it is very important to the improvement of business management. One of the purposes of carrying out economic reforms is to improve business management. Since the beginning of economic reforms, management staff of enterprises have shown improvements, which are, however, unsatisfactory, and to a large extent do not meet the requirements for deepening reforms. Everybody knows that secure positions, jobs, and wages are the mainstays supporting the big pot system. If we do not overturn these three mainstays, the big pot system can hardly be changed, and the improvement of business management can hardly obtain any substantial progress. Improving labor composition is a major blow to secure positions, jobs, and wages, and a serious blow to the big pot system.

Moreover, it is highly significant to achieving better economic results. To achieve better economic results is, macroscopically, to distribute resources rationally; and microscopically, to achieve better economic results in enterprises. Improving labor composition will, to a large extent, help us to solve the problem of economic results.

It is also significant to price reforms. Price reforms must be coordinated with wage reforms. There are still a great many difficulties in doing this, so a number of conditions are needed for the successful implementation of these reforms. To further invigorate enterprises and achieve better economic results in enterprises are the most basic conditions. Improving labor composition can help invigorate enterprises and raise their economic results, and is also essential to price reforms and wage reforms.

Also, improving labor composition has far-reaching effects on the future of our country.

The big pot system makes people lazy, stupid, and bad, because it encourages laziness and discourages diligence, hindering instead of encouraging initiative in labor. If things go on like this, people will develop a bad attitude toward labor and service, and no longer be enthusiastic in labor. Originally, the purpose in implementing this system was to thoroughly implement the spirit of distributing payment according to work, stimulate people's enthusiasm, and create initiative in labor. However, the result has been just the opposite. The system greatly

hinders the creation of initiative. If this situation continues, it may have the dreadful result that the hardworking and intelligent Chinese nation will probably become a lazy and stupid nation. Improving labor composition, together with the implementation of other reforms, will inspire people's enthusiasm and creativity in labor. Only by so doing can we maintain and carry forward the Chinese nation's good qualities of diligence and wisdom.

#### Justifiably Improving Labor Composition [subhead]

At present, there are many difficulties in improving labor composition. For this reason, I have to clarify all kinds of specious arguments in order to justify the work to improve labor composition.

For example, some people think that as socialist societies do not allow unemployment, while improving labor composition will make some people unemployed or awaiting employment, the work is thus against the principle of socialism. However, this argument is untenable. Traditional views regard unemployment as merely a product of capitalism. Such views are one-sided. Actually, there are many reasons for unemployment, including those relating to the economic system, productive forces, production composition, economic policy, and the unemployed person. Therefore, we cannot equate unemployment with the system, even in a capitalist society. In a socialist society, the level of productive forces, production composition, macroscopic economic policy, and even the laborer himself may lead to unemployment. In particular, we have a large population and labor force in our country. A large agricultural labor force has to be transferred to other sectors, but we lack capital. For a certain period, this phenomenon is inevitable. The socialist system cannot immediately eliminate these factors causing unemployment, nor eliminate unemployment at once. Traditional economic systems hinder the development of productive forces and the raising of economic results. This not only is unfavorable to the elimination of unemployment, but also may encourage unemployment. At present there is serious internal concealed unemployment in factories, which is caused by traditional economic systems. Therefore, such unemployment has actually existed for a long time, and is not caused by the improvement of labor composition. We do not deny that socialism aims at eliminating unemployment. But it is a goal. It can only be accomplished under certain circumstances. There may be adverse effects if we do it reluctantly. On the other hand, improving labor composition will provide the necessary conditions for the real elimination of unemployment.

There are other people who say that improving labor composition will make some workers redundant. This will change their master status as the owners of the means of production, and remove their labor rights. However, this view needs to be further analyzed, and cannot be used to negate the significance of the work to improve labor composition. Nowadays, many enterprises are overstaffed. A great many staff and workers

work with little effort, or even do not work at all. Labor discipline is loose and economic results are low. If things go on in this way, can the master status and rights of laborers be maintained? Actually, the reasons for improving labor composition and implementing other reforms are to give full play to the superiority of socialism and to turn laborers into the real masters of the means of production, so that they can really possess and correctly use the rights of laborers.

#### **Problems That Need To Be Studied [subhead]**

To improve labor composition, we need to study many problems. One of them is the problem concerning the necessity and function of improving labor composition. We cannot say that we have fully understood this problem. The second kind of problem is the relevant theoretical problems, such as unemployment, the master status of laborers, labor rights, and so on. All of them have to be further studied. Somebody raised a number of questions: If some people become unemployed or awaiting employment after the improvement of labor composition, is labor an honorable responsibility of all citizens with labor capacity any longer?

Is labor any longer the basic right and obligation of citizens? Will the master status of laborers as the owners of the means of production be changed? The third problem is how we can improve labor composition step by step in a planned way. Doing this will include the following conditions: The conditions necessary for improving labor composition and how to create such conditions; the placement of redundant personnel; how the improvement of labor composition can be coordinated with other work; and so on. The fourth problem is the requirements of the improvement of labor composition in the macroscopic economy, including how to handle the relationship between awaiting employment in factories and awaiting employment in society; how to organize the rational flow of labor; how fundamental reforms of the labor and wage systems can be carried out; in what way the social insurance system can be reformed and perfected, and so on. Theoreticians have the responsibility to conduct serious studies and raise scientific opinions and suggestions on these problems.

#### **Enterprises Offer Shares to Public Nationwide** *OW2010115088 Beijing XINHUA in English* *0900 GMT 19 Oct 88*

[Text] Beijing, October 17 (XINHUA)—China's new experimental policy of offering shares in companies to the public has now been extended to more than 6,000 medium-sized and small enterprises across the country, "ECONOMIC INFORMATION" reported today.

In fact, the practice of "share-holding" has become so popular that it is being systematically expanded to include companies in the major cities of Shenyang, Shanghai and Guangzhou as part of the experiment in public ownership, the Beijing-based paper said.

Taking the lead in the experiment are a dozen large enterprises in Shenyang, Shanghai, Guangzhou, Shenzhen and Beijing, which have thus far issued shares worth more than 200 million yuan on the open market.

The shares can be passed on to the buyers' heirs as part of their inheritance, or even transferred to other people, the paper said.

The process of offering stock in companies to the public, once criticised as a purely capitalist practice, is now being described as "an important measure to deepen current reforms".

The paper quoted some economists as saying that the system is not uniquely capitalist and its adoption in China does not run counter to socialist principles.

"China's state-owned enterprises must not be privatized and the adoption of a share-holding system with predominant public ownership is by no means privatization," the paper explained in a commentary.

Quoting He Guangyuan, vice-minister of the Machine-Building and Electronics Industry, the paper said the system is helpful to ensuring the independent operation of enterprises.

"An urgent economic task is to curb the overheated economy, and the share-holding system can help reduce spending and ease the shortage of money for the development of new ventures," Li Guixian, governor of the People's Bank of China, was quoted as saying.

Chinese economists have been active in promoting the system by holding public symposiums, forums, lectures and training classes. More than 100 such activities have been conducted in China this year, according to the paper.

#### **Metallurgical Industry To Make Production Plans** *OW2010151588 Beijing XINHUA Domestic Service* *in Chinese 1310 GMT 18 Oct 88*

[By reporter Sun Jie]

[Text] Beijing, 18 Oct (XINHUA)—Recently, Qi Yuanjing, minister of metallurgical industry, warned all iron and steel enterprises that they should keep their expenditures within the limits of their revenues. In the fourth quarter, he said, they should not simply strive to fulfill the annual steel output quota, originally set at 59 million metric tons, but should work out a reasonable production target in a planned way.

In an interview with reporters, Qi Yuanjing said: Since July, coal and electric power have been in short supply, and transportation facilities have been inadequate to meet the demand. Moreover, the coal in stock held by the iron and steel industry has dropped sharply since the



beginning of the fourth quarter. The coal in stock presently held by big iron and steel enterprises is less than 600,000 metric tons. In view of this reality, Qi Yuanjing asked iron and steel enterprises in all localities not to devote their efforts simply to meeting high production targets. Instead, they should act according to the principle of keeping a minimum quantity of coal for the needs in winter and work out a rational production plan so that they may use the limited raw materials and fuel to make products that are in short supply and to fulfill the contracts they have signed with the state. In addition, they should devote efforts to raising their economic efficiency in a down-to-earth way.

Qi Yuanjing told the reporters: China's iron and steel industry has already prefulfilled and overfulfilled the plan of increasing the production of steel plates by 1 million metric tons this year. From January to September this year, our country's steel plate production increased by 1.22 million metric tons. Of this, the increase in output of thin plates was 940,000 metric tons. With the increased output of these products, the tension on the market due to strong demands has been alleviated, and our country will import appreciably less rolled steel this year than last year.

**Quota System Planned To Limit Use of Farmland**  
*HK2110024288 Beijing CHINA DAILY*  
*in English 21 Oct 88 p 1*

[By staff reporters Huang Guodong and Ma Lixin]

[Text] The central government is to adopt a nationwide land quota system to crack down on the use of agricultural land for industrial projects and curtail the huge loss of farmland.

A senior government official said the new quota system would affect industries concerned with coal production, electrical power, nonferrous metals, airports, railways, highways, irrigation networks, oil fields, building sites, metallurgy, electronics and textiles.

Chen Ye, deputy director-general of the State Land Administration (SLA) under the State Council, said that under the new system, these industries would have to apply to the SLA for special permission to build new projects which would use up land exceeding their present land quotas.

She said detailed information on the way the new system would affect each of the industries was currently being drawn up by the country's land and industry experts.

This would be a firm move by the state—almost two years after the nation's first land administration law went into effect—to fight the battle against the shrinkage of agricultural land which has plagued the country for decades and been senselessly ignored, she said.

SLA statistics show that the area of agricultural land in China makes up just 10 per cent of the total landmass and that this proportion has been shrinking by hundreds of thousands of hectares a year. In 1985, a total of 1 million hectares of agricultural land was lost.

China now has about 93 million hectares of land which can be cultivated.

It is estimated that about 15 million hectares of arable land have been lost in the last 30 years.

Meanwhile, the Chinese population has increased by 13 million each year since the founding of New China in 1949.

The result is that the country has just 0.093 hectares of arable land per person, less than half the 1952 figure and much lower than the world average of 0.33 hectares per person.

If China's arable land keeps on shrinking at the present rate, the nation's total of 126.6 million hectares will have dropped to 100 million hectares by the year 2050, according to the SLA statistics.

Chen attributed the land loss to increasing industrial construction, the development of township and rural enterprises and the fact that more farmers are now building their own houses.

In addition, a great deal of land has been lost as a result of soil erosion, the spreading of desert areas and population growth, she said.

According to a recent report in the CHINA ENVIRONMENT JOURNAL, the country has now lost some 33.33 million hectares of land as a result of soil erosion and about 22 million hectares of land have been polluted to varying degrees.

The report said such land loss was one of the factors threatening the development of the national economy and its structure.

Chen said that since China implemented its land administration law two years ago and started paying more attention to the problem, the loss and misuse of land had been checked considerably.

**Silk Prices Up 20 Percent; Policy Viewed**  
*HK2110024088 Beijing CHINA DAILY*  
*in English 21 Oct 88 p 2*

[By staff reporters Yuan Zhou and Wu Caibin]

[Text] Guangzhou—The Chinese silk prices have risen by about 20 percent since last spring, and there is a big reduction in supply of silk goods because of the difficulty

in purchasing silkworm cocoons in the spring. But international silk business people are still queuing up for silk transactions at the 64th Chinese export fair here.

According to a senior official from the Chinese Silk Trading Delegation at the fair, only old customers in Chinese silk are getting supplies of raw silk materials, grey silk ducts. The Chinese silk traders are turning down new customers.

This new policy is designed to alleviate the pressure on the cramped domestic silk markets and to help old customers continue their silk business, said He Dan, general secretary of the silk delegation, in an interview with CHINA DAILY.

"We are responsible for a stable international silk market this year," she said.

Hu said China produces about 50,000 tons of cocoon silk each year, of which 70 percent is for export. Ninety percent of the raw silk and 40 percent of grey silk goods on the international markets come from China.

He said the recent price rises in silk are beneficial for old customers, including a dozen big ones. She did not exclude the possibility of future price rises of Chinese silk products according to the fluctuations on the international markets.

Vice Minister of Foreign Economic Relations and Trade Wang Pinqing was quoted as saying, "(Chinese silk traders) should have the courage and knowhow to raise their silk prices. The prices of the silk should be raised at the proper times."

At the previous export fairs here, the Chinese silk trading delegation used to get sales contracts worth about \$200 million. Because of the drop in supply. He estimated that the total sales at this autumn's fair would fall below that figure.

"We're signing sales contracts according to our practical conditions, and we have to continue to supply goods for uncompleted contracts reached earlier," He said.

In the past few days since the fair opened, the silk delegation has signed contracts of about \$3 million. Some 2,000 tons of silk goods have to be used to fulfil past export contracts, according to the trading officials here.

He urged the international silk business people to have an optimistic view of the future of Chinese silk exports, saying the difficulties are only temporary.

Recently, the State Council issued a circular about the purchases and export of silkworm cocoons. The monopoly of the Chinese National Silk Import/Export Corporation in silk export has been reaffirmed, Hu said.

"It will take some time for this policy to take effect, but prospects for future Chinese silk export business do look good," she said.

**Railways Minister Addresses Cadre Meeting 15 Oct**  
*OW2110062388 Beijing XINHUA Domestic Service*  
*in Chinese 1710 GMT 15 Oct 88*

[By Zhang Chaowen, student reporter of the China College of Journalism]

[Text] Beijing, 15 Oct (XINHUA)—"No office buildings, auditoriums, or guesthouses will be built, nor will sedans be purchased for 3 years; it is necessary to strengthen railways' functions in macroeconomic control in order to serve the purposes of improving the economic environment and rectifying the economic order."

The above remarks were made by Minister of Railways Li Senmao at a national meeting of railway cadres, which opened here this afternoon.

The meeting was held to relay and implement the guidelines laid down at the 3d Plenary Session of the party's 13th Central Committee and a working conference of the party Central Committee. At the meeting, Li Senmao pointed out: Without rail transport, a large number of enterprises would go bankrupt. It is absolutely correct for the central authorities to include railways in the macroeconomic control system and to call for strengthening the functions of railways and other departments in macroeconomic control. The Ministry of Railways should first improve its internal environment and make sure that no one of this ministry will seek personal gain by using a train; second, the ministry should close loopholes in work and institute a system for collectively examining and approving the dispatch of cars unplanned in advance. At the same time, railways' functions in macroeconomic control should be brought into full play, and the use of a rail transport company as a consumer in whose name a plan for the dispatch of cars is filed is not permitted.

On ways to improve the economic environment and rectify the economic order in railway departments, Li Senmao pointed out: The Ministry of Railways will not build any office buildings, auditoriums, or guesthouses for 3 years. Conscientious efforts should be made to check up on projects under construction, and projects that should be suspended must be suspended. At the same time, it is necessary to seriously check up on and straighten up various railway-related companies and to sternly investigate and deal with those who seek personal gains by using cars or train tickets in violation of the law and discipline. Li Senmao repeatedly stressed: All railway departments must not purchase sedans or nonproductive high-grade goods for 3 years, and no one is

permitted to travel from place to place enjoying the beauties of nature at public expense. All units must not send gifts to higher-level organs or individuals in any form or under any pretext.

**Paper Urges Stricter Control of Goldmining**  
*OW2110002488 Beijing XINHUA in English*  
1259 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—Private gold mining brings about so much malfeasance that the government has to work out strict measures to control the ongoing "gold rush".

Today's OVERSEAS EDITION of the "PEOPLE'S DAILY" accused private miners of doing great damage on the country's gold resources. It said the Longshan area of the Guangxi Zhuang Autonomous Region was expected to be a medium-sized gold center, but 200-odd private miners have plundered its reserves.

These miners even broke into state-owned mines to scramble for gold. For the past 2 years, private miners have swarmed with more than 40 bulldozers to the Qahar County Banner Goldfield in the Inner Mongolia Autonomous Region.

"They ravaged the mine, conducted looting, and severely impaired the mine's production," said the paper. Because of poor equipment and backward techniques, private miners' percentage of gold extraction is low, thus causing great waste, the paper went on.

Only one third of the privately-mined gold is available for state purchasing, the rest goes to the black market. In Hunan, a major gold-producing province in China, local public security departments cracked down on more than 4,000 gold smuggling cases and seized 1,150 kilograms of gold last year.

In defiance of the state environmental protection laws, private miners wantonly fell trees and pollute local rivers with waste water containing poisonous cyanogen.

In Tongguan County, Shaanxi Province, polluted water has caused the deaths of three people and nine head of cattle. In Hexian County, in the Guangxi Zhuang Autonomous Region, 67 hectares of forest were destroyed by local gold miners.

Moreover, the paper said, prostitution, robbery, and smuggling are rampant where individual miners are working, causing serious social problems.

A survey conducted in 14 provinces and autonomous regions reveals that there are 400,000 private gold miners. "It is high time to work out effective measures to put private gold mining under control," the paper appealed.

**Foreign Investments Exceed \$37 Billion**  
*OW2010200688 Beijing XINHUA in English*  
1450 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—China used more than 37 billion U.S. dollars of foreign funds from 1979 to 1987, according to data released by State Statistics Bureau today.

In the period, over 10,000 contracts in various fields were signed involving more than 62 billion U.S. dollars, the data shows.

In 1979, about 20 foreign countries and regions invested in China, but the figure in 1987 rose to 40. In addition to Australia, Japan and countries in Europe and North America, the developing countries in Asia, Africa and Latin America also began to invest in China, and the investment contracts they signed with China involved more than 1 billion U.S. dollars.

At present, all the provinces, municipalities and autonomous regions, except Tibet, have used some foreign funds.

The investment subjects were expanded from light industry, textiles, and tourism to metallurgy, electronics, energy and transportation.

Of about 10,000 contracts signed by the end of last year on joint ventures, jointly-run cooperations and enterprises entirely owned by foreigners, 77 percent were on production projects.

Statistics show that China, taking advantage of foreign funds, managed to set up more than 100 major projects in the past few years. Of which, most are in energy, transportation and communication. [sentence as received] A nuclear power station in Guangdong Province, an opencut coal mine in Shanxi Province, to name just a few, are the kind of projects that utilized foreign funds.

With those foreign funds, China was also able to import sophisticated equipments and managerial know-how for technical upgrade of Chinese enterprises, which enabled them to improve productivity and increase exports.

**Three Gorges Water Control Project Study Approved**  
*OW2110023988 Beijing XINHUA in English*  
1212 GMT 20 Oct 88

[Text] Beijing, October 20 (XINHUA)—The last of the 14 feasibility study reports on the Three Gorges Water Control Project on the Yangtze River passed experts' appraisal yesterday, today's "PEOPLE'S DAILY" (OVERSEAS EDITION) reported.



So far, all the 14 feasibility reports on geology, hydrogeology, navigation, residents relocation, investment estimate, and construction concerning the project have been assessed by experts since June 1986.

The last report on the overall economic results of the project affirmed the building of the Three Gorges Project as "rational and feasible" on the basis of scientific analysis, the paper wrote.

"It will cost the country a great deal to put off the construction of the project," which is the country's major conservation project with multiple functions of flood prevention, power generation, and navigation, according to the report.

The committee responsible for the appraisal of the Three Gorges Project will make an interim assessment on all feasibility reports by the end of this year.

After that a final report will be submitted to the State Council, the paper reported.

**State Council on Evaluating Urban Environment**  
OW2010132088 Beijing XINHUA Domestic Service  
in Chinese 2358 GMT 15 Oct 88

[Text] Beijing, 16 Oct (XINHUA)—The State Council's Environmental Protection Committee recently promulgated a "Decision on Making Quantitative Evaluation of Comprehensive Improvements in Urban Environment." In accordance with this decision, starting from 1 January 1989, all cities shall be required to make quantitative evaluation of comprehensive improvements in their environment. The evaluation will cover five areas; that is, protection of atmospheric environment, protection of water environment, noise control, disposal of solid waste, and greening, involving a total of 20 indices.

This decision stipulates that departments concerned of the people's governments at all levels shall inspect the work of making quantitative evaluation of comprehensive improvements in the environment of all cities. All city people's governments shall annually submit the results of quantitative evaluation to the people's governments at the provincial level, which will, in turn, publish the results every year for the masses to accept their supervision.

The decision states that making quantitative evaluation of comprehensive improvements in urban environment will help to gradually switch the work of urban environmental protection from qualitative to quantitative control.

The State Council's Environmental Protection Committee made this decision for the purpose of implementing the plan for environmental protection during the Seventh 5-year plan as well as fulfilling the objectives for environmental protection specified in the Government Work Report adopted at the First Session of the Seventh NPC.

**State Commission on Adult College Testing Rules**  
OW2010143088 Beijing XINHUA Domestic Service  
in Chinese 0849 GMT 18 Oct 88

[Text] Beijing, 18 Oct (XINHUA)—The State Education Commission recently promulgated "Outline of Entrance Examination for Adult Institutions of Higher Education throughout the Country" (for trial use). This is the first outline of examination ever formulated.

It is reported that the outline will be the basis for the test papers of the entrance examination for adult institutions of higher education next year. It will be made available to adult college applicants in late October. The test papers next year will be based on the "outline" with respect to ratio of various knowledge, ratio of various types of questions, and ratio of various degrees of difficulty. The provision on "ability level" stipulated in the "Outline" will temporarily be ignored next year. The "Outline" has an appendix which contains some examples of test questions to help the applicants understand the composition of the test papers.

According to a person concerned working with the Examination Management Center of the State Education Commission, a large-scale examination like the entrance examination for adult institutions of higher education must rely on a scientific "outline of examination" to restrict the contents and forms of the test papers. He said: The "Outline" has provided a necessary guarantee for stability of test questions and enhanced the openness of the examination. This is a reform of the existing examination system.

### East Region

**Fujian's Chen Guangyi Studies Food Shortage**  
*OW2110082788 Beijing XINHUA Domestic Service*  
*in Chinese 1511 GMT 13 Oct 88*

[By reporter Xu Yiming]

[Excerpts] Fuzhou, 13 Oct (XINHUA)—“No bargaining, no complying in public, but opposing in private.” The task of improving the economic environment and straightening economic order is in full swing in Fujian.

To curb inflation, check the rise in commodity prices, and cut the scope of capital construction projects, Fujian has decided to adopt the system of the provincial, prefectural, county and township (enterprise) leaders assuming full responsibility.

In view of the fact that, since beginning of this year commodity prices across the province have been high, the provincial party committee and the provincial government have regarded stabilizing commodity prices and the market as an important task of top priority, worked out seven measures, and specifically stipulated that no prefectures, cities, counties, or departments are permitted to readjust prices or raise fees for collection. To control credit loans and stabilize finance, the province has recovered over 70 percent of loans which were given beyond loan limits. The drastic rising trends of currency issuance has also been curbed. Savings deposits are on the increase.

The Fujian provincial government has also studied the supply work for grain, hogs, and vegetables, which are the three backbone commodities. [Passage omitted] Chen Guangyi, secretary of the provincial party committee, and other responsible comrades have inspected suburban vegetable fields and pig farms to understand the situation and study the question of the short supply of nonstaple foods. [Passage omitted]

**Chen Guangyi Addresses Fujian Party Plenum**  
*OW2110080688 Fuzhou Fujian Provincial Service*  
*in Mandarin 1100 GMT 18 Oct 88*

[Text] The ninth enlarged plenary session of the fourth Fujian Provincial CPC Committee opened in Fujian yesterday.

The agenda of the meeting included discussing ways to implement the guidelines set by the 3d Plenary Session of the 13th CPC Central Committee, and measures for cleaning up Fujian's economic environment, improving economic order, and deepening reform in all fields.

During this morning's plenary session, Chen Guangyi, secretary of the Fujian provincial party committee, conveyed the guidelines of the 3d Plenary Session of the 13th CPC Central Committee and, on behalf of the the Fujian provincial party committee Standing Committee,

elaborated on what Fujian should do in implementing those guidelines. Wang Zhaoguo, deputy secretary of the provincial party committee and governor of Fujian, also addressed the meeting.

Comrade Chen Guangyi pointed out: While studying the documents of the 3d Plenary Session of the 13th CPC Central Committee and comprehending the guidelines set out in Comrade Zhao Ziyang's report and Comrade Deng Xiaoping's important speech, we should pay special attention to the following:

All projects of reform and construction in 1989 and 1990 should focus on cleaning up the economic environment and improving economic order. Mutually supportive, comprehensive reforms should be carried out in an orderly and well guided manner. We should strengthen leadership of our party in order to give full scope to its political strength. We should sum up our experiences to resolve the problems standing in our way.

Comrade Chen Guangyi stressed: Cleaning up the economic environment, improving economic order, and deepening reform in all fields are major assignments for all party members and people throughout the country. Our approaches to fulfil these assignments must be firm and our measures effective. We must take the interests of the whole into account, strictly abide by discipline, and accomplish all the assignments without fail. We must unify the thinking of our cadres and the masses with the guidelines of the 3d Plenary Session of the 13th CPC Central Committee, firmly implement the party Central Committee's principles and measures for cleaning up the economic environment and improving economic order, deepen reform in all fields, and improve our enterprises' economic performance so that they can boost their production and supply during the process. We should also give full scope to our political strength so that, under the party's strong leadership, we can ensure implementation of all decisions of the central authorities.

In his speech, Comrade Wang Zhaoguo placed special emphasis on three issues: the need to have a correct consensus of view on the current situation; the need to firmly carry out the central authorities' major decisions and take decisive measures to clean up the economic environment and improve economic order; and the need to provide stronger leadership to enforce disciplinary measures and maintain social stability and unity.

He stressed: We must give special importance to the following assignments:

First, we must stabilize commodity prices and the market, making sure that the increase of commodity prices next year will be noticeably lower than that of this year.

Second, we must firmly scale down and restructure our investment and liquidate unfinished construction projects.

Third, we must tighten the centralized control of credit to strictly control money supply and loans.

Fourth, we must strictly control the growth of consumption funds and firmly limit social institutions' buying power.

Fifth, we must make earnest efforts to improve order in the sphere of circulation, and firmly screen the establishment of companies.

Sixth, we must make great efforts to develop production to improve and increase supply.

Seventh, we must deepen enterprise reform and make constant effort to introduce new mechanisms governing enterprise operations.

Eighth, we must intensify and improve macroscopic control, and make great efforts to enliven all microscopic economic activities to bring about a sound and steady economic development, as well as in reform and opening.

Present at the ninth enlarged plenary session of the fourth Fujian provincial party committee were full members and alternate members of the Fujian provincial party committee. Present at the session as observers were members of the provincial Advisory Commission; the provincial Discipline Inspection Commission; party member-vice chairmen of the Standing Committee of the provincial People's Congress; party member-vice chairmen of the provincial CPPCC Committee; secretaries and commissioners of prefectural, municipal, county, and district party committees; mayors of cities and urban districts; and principal party member-leading members of municipal departments, committees, offices, and agencies; corporations, mass organizations, and universities.

**Shanghai Mayor on Checking Construction Projects**  
*OW2010152088 Beijing XINHUA Domestic Service*  
*in Chinese 1547 GMT 18 Oct 88*

[By reporters Ji Jincheng and Wang Hongyang]

[Text] Shanghai, 18 Oct (XINHUA)—Shanghai Mayor Zhu Rongji said today: "In the current drive to check fixed asset investment projects under construction, it is of no use to attempt to make an exception of any project no matter who gives the instruction or intercedes. We should resolve to curb these projects. If we do this early, we will be able take positive action early. In this drive, all units in Shanghai must be subordinated to the cardinal requirements of the central authorities."

The past few years have witnessed a fairly quick increase in fixed asset investment and an apparently large number of projects for construction of office buildings, auditoriums, and guesthouses in Shanghai. Last year the Shanghai municipal government conducted two inspections in this regard, cutting off 31 projects and trimming

the amount of investment by 640 million yuan. However, the trend of construction of office buildings, auditoriums, and guesthouses was not really curtailed in the municipality. Now, some capital construction projects have continued in the guise of renovative or transformation projects. Quite a few projects that should be discontinued have not been stopped.

At a mobilization meeting held in Shanghai today on checking fixed asset investment projects under construction, the Shanghai municipal government unequivocally announced: The following projects should be stopped or deferred: all nonproduction projects under construction, office buildings, auditoriums, and guesthouses in particular; all projects of ordinary processing industries whose products are already in excessive supply; all ordinary technological transformation projects; all projects for manufacture of goods using a large amount of energy and with poor economic efficiency and serious problems of environmental pollution; all overlapping projects and arbitrarily planned projects; all capital construction projects in the name of technological upgrading; and all projects with unassured sources of funds and inadequate supporting conditions. No department or unit should shirk its responsibility or ask anyone to intercede so as to make an exception. If a project is to be discontinued, it should be resolutely stopped, and the unit undertaking the construction work should leave the worksite. The municipal government will send out inspection teams in the near future to inspect the checkup work carried out by various units in the municipality. If any locality or department is found to have refused to implement the instructions in the State Council's circular, hidden the real facts, or pretended to comply but acted in opposition, the locality or department should be held responsible and given heavy economic and administrative punishments.

Recently the Shanghai municipal government formed a leading group for checking the projects under construction with Mayor Zhu Rongji as the head of the group. Pertinent departments of the municipal government have assigned full-time personnel to join the work of checkup and inspection.

### Central-South Region

**Guangxi CPPCC Meeting Closes 20 Oct**  
*HK2110040688 Nanning Guangxi Regional Service*  
*in Mandarin 1100 GMT 20 Oct 88*

[Excerpt] The fourth session of the sixth regional CPPCC Committee Standing Committee closed in Nanning on the afternoon of 20 October.

The meeting listened to Chen Huiguang, secretary of the regional party committee and chairman of the regional CPPCC Committee who conveyed the spirit of the 3d Plenary Session of the 13th CPC Central Committee; a speech delivered by Vice Chairman Cheng Kejie of the Regional People's Government; and the spirit of the third



session of the Seventh National CPPCC Committee Standing Committee passed on by Huang Yuyang, vice chairman of the regional CPPCC Committee. [passages omitted]

**Hainan Sets Up People's Armed Forces Commission**  
*HK2110024988 Haikou Hainan Provincial Service in Mandarin 0400 GMT 20 Oct 88*

[Text] To further strengthen leadership over militia and reserve service work in the province and meet the demands of establishing Hainan Province and special economic zone and of the struggle against the enemy in the South China Sea, the Hainan Provincial CPC Committee recently decided to set up a people's armed forces commission with Liang Xiang, deputy secretary of the provincial party committee and governor, as the director, and Hainan Military District Commander Pang Weiqiang, Vice Governor Xin Yejiang, and Hainan Military District Deputy Commander Lai Ziyang as deputy directors. Leaders of the provincial party, government, and army departments concerned are members of the commission.

The commission exercises leadership and policy-making power over militia, reserve service, and combat-readiness work in the province on behalf of the provincial party committee, government, and military organs. Its main tasks are to seriously implement the guidelines, policies, and instructions of the CPC Central Committee, State Council, and Central Military Commission on militia and reserve service work, and to study and resolve major problems in this work.

**Southwest Region**

**Sichuan's Yang Rudai on Educational Investment**  
*OW2110080488 Beijing XINHUA Domestic Service in Chinese 1838 GMT 13 Oct 88*

[By reporter Wang Changlu]

[Text] Chengdu, 13 Oct (XINHUA)—Yang Rudai, secretary of the Sichuan CPC Committee spoke today at the Third Plenary Session of the Fifth Sichuan Provincial CPC Committee. He said: In our current efforts to manage the economic environment, consolidate economic order, and reduce the scale of investment in capital construction, the improvement of teaching facilities and renovation of ramshackle school buildings in all kinds of schools in the province will not be considered nonproductive and suppressed.

On behalf of the provincial CPC Committee, Yang Rudai also announced that schools may proceed with original construction plans on condition they do not upgrade construction standards and add construction items. Also, units in all localities are prohibited from levying fees or charges in schools.

Many committee members spoke at the meeting convened to implement the spirit of the 3d Plenary Session of the 13th CPC Central Committee. They said: From the long-term, strategic point of view, reform and construction need qualified personnel; and education is the source of qualified personnel. Therefore, we should treat education as a strategic problem. Not only should we not ignore or cut back on education, we should devote more attention to it in the current management of the economic environment and consolidation of economic order. The Sichuan Provincial CPC Committee attaches great importance to the opinions of committee members. Therefore, in the current suppression of the investment scale in capital construction and readjustment of investment structure, the Standing Committee of the Sichuan Provincial CPC Committee, after making repeated study of the opinions advanced by committee members, decided to protect education from cutback.

**Yang Rudai Attends Sichuan Women's Congress**  
*HK2110030788 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 20 Oct 88*

[Excerpts] The seventh Sichuan provincial women's congress solemnly opened in Chengdu on 20 October. The opening ceremony was attended by Yang Rudai, Gu Jinchi, Xie Shijie, Cao Qingze, Gao Shuchun, Song Baorui, Wang Chengbo, and Liu Haiquan, responsible persons of the provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress, government, and CPPCC. [passage omitted]

In a speech, Gu Jinchi, deputy secretary of the provincial party committee, called on women throughout the province to establish strong consciousness of participation and competition, further strengthen their psychological endurance of reforms, and put forward ideas and schemes for the province's reforms and economic construction.

Gu Jinchi also stressed: We must wage resolute struggle against all discrimination against women, and crack down hard on all criminal behavior in maltreating, insulting, and harming female children. [passage omitted]

(Che Yuying), chairman of the provincial federation of women, delivered a work report on behalf of the sixth committee of the provincial women's federation.

**Tibet CPC Committee Opens Plenary Session**  
*HK2110012188 Lhasa Tibet Regional Service in Mandarin 1430 GMT 20 Oct 88*

[Text] The sixth enlarged plenary session of the Third Tibet Regional CPC Committee was convened in Lhasa on 20 October. The meeting is being attended by 36 members and 4 alternate members of the regional party committee, together with members of the regional Advisory Commission, members of the Standing Committee of the regional Discipline Inspection Commission,

regional-level party-member cadres, and principal responsible persons of all prefectures, cities, counties, and regional organs, totalling 292 persons.

Raidi, deputy secretary of the regional party committee, presided and relayed the basic proceedings and the spirit of the Central Work Conference and the 3d Plenary Session of the 13th CPC Central Committee. Raidi said: Before convening this session, we held an enlarged meeting of the regional party committee Standing Committee; the participants included regional-level party-member cadres and the principal responsible persons of departments concerned. The meeting seriously relayed and studied the spirit of the two central conferences. The participants unanimously held that the two central conferences were extremely important meetings convened at a crucial moment in China's reforms and construction, which resolved key problems facing reforms and construction. They unanimously pledged to resolutely support the central policy decisions. They also studied measures and steps for implementing the spirit of the two conferences in conjunction with Tibet realities.

The enlarged meeting of the Standing Committee emphasized that in the course of implementing the central policy decision on improving the economic environment and rectifying the economic order, we must, in view of the problems actually existing in our region, teach the party members, cadres, staff and workers, and masses throughout the region to further establish the guiding idea of regarding economic construction as the core and genuinely place economic construction in the primary position in all work.

In the course of improving the economic environment and rectifying the economic order, we must assign an important position in our work to preserving the political situation of stability and unity, to create an excellent social environment for deepening the reforms and economic construction. We must closely integrate relaying and implementing the spirit of the two central conferences with continuing to study and implement Comrade Qiao Shi's instructions on work in Tibet, because the basic spirit of the two is completely identical.

Raidi said: This session is being held at a time when structural reforms in the prefectures and counties and readjustment of their leadership groups have been carried out. The scale of this session is relatively large. The participating comrades should make common efforts to seriously study the spirit of the two central conferences, analyze and study the situation in reform, construction, and in social and political affairs in the whole country, especially in Tibet, and reach the goal of gaining a clear understanding of the situation and the tasks, establishing confidence, and boosting morale. Through this session, we should further stimulate the initiative of the party members and the masses of all nationalities in the region, thus creating an excellent ideological foundation

for further stabilizing the situation in Tibet, preserving the political situation of stability and unity, and concentrating efforts on economic construction.

Doje Cering, Basang, and Dangzin, deputy secretaries of the regional party committee, relayed the important documents of the two central conferences. Present on the presidium were leading comrades of the regional party committee, Advisory Commission, and Military District Raidi, Doje Cering, Basang, Dangzin, Gyanincain Norbu, Hu Songjie, Jiang Hongquan, Ma Lisheng, Zhang Xiangming, and Zhang Shaosong.

### North Region

**Tianjin's Li Ruihuan Attends Women's Congress**  
*SK2010124588 Tianjin City Service in Mandarin*  
2300 GMT 19 Oct 88

[Excerpt] The eighth Tianjin municipal women's congress opened at the Tianjin Guesthouse on the morning of 19 October. Leading comrades of the municipal party committee, People's Congress Standing Committee, government and CPPCC Committee attended. These included Li Ruihuan, Wu Zhen, Tan Shaowen, Nie Bichu, Liu Jinfeng, Zhang Dinghua, Zheng Guozhong, Yang Jingheng, Wang Xudong, Lu Xuezheng, Huang Yanzhi, Zhang Lichang, Li Huifen, Li Yuan, Pan Yiqing, Xiao Yuan, Chen Ruyu, Fang Fang, and Fang Fengyou, and veteran Comrade Xu Ming.

A total of 678 delegates attended the congress. Among them were sisters who have spared no effort in the cause of women's liberation, new recruits who have just participated in women's work, heroines who have made one contribution after another to socialist revolution and construction, and vanguards who have bravely pioneered the forward path in reform. Forty-eight veteran workers who have been engaged in women's work for many years and noted patriotic women and women cadres who have lofty ideals and who have made positive contributions were invited to attend as special delegates.

The congress opened at 0830 amid a magnificent rendering of the national anthem. Executive chairman (Tao Jianrong) presided over the congress. Young pioneers dressed in colorful clothes and holding flowers and colored balloons in their hands delivered a congratulatory message to the congress.

Liu Jinfeng, deputy secretary of the municipal party committee, delivered a speech. On behalf of the municipal party committee, he extended congratulations and high respect to the congress and to the women of various nationalities from various circles throughout the municipality and expressed heartfelt gratitude to those engaged in women's work.

Liu Jinfeng said: Women account for 50 percent of our municipal population. They constitute an important force that cannot be replaced in the process of stabilizing



the market, prices, the people's feelings; therefore, the situation in the municipality exists. The masses of women should resolutely respond to the party's call to conscientiously study and implement the guidelines of the 3d plenary session of the 13th party Central Committee and the decisions of the plenary session of the municipal party committee. In addition, they should fully understand the importance, necessity, and urgency of the effort to improve the economic environment and rectify the economic order.

They should also carry forward the Chinese women's fine tradition of being deeply conscious of the righteousness of a cause and taking the overall situation into account. Women Communist Party members should all the more give full play to their vanguard and exemplary role; stress cooperation, lofty ideals, and sacrifice; work in unison; take the initiative in safeguarding the overall interests and the party's prestige; and contribute their efforts to improving the economic environment, rectifying the economic order and comprehensively deepening reform.

On behalf of the seventh executive committee of the municipal women's federation, (Gao Shuping) delivered a work report. [passage omitted]

### Northeast Region

#### Heilongjiang's Hou Jie Addresses Plenary Session SK2110014288 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 15 Oct 88

[Text] The provincial government held its third plenary session today at which Governor Hou Jie stressed that all departments and units directly under the provincial government should further enhance understanding, unify thinking and action, and comprehensively implement all tasks put forward by the 3d Plenary Session of the 13th CPC Central Committee and the 2d enlarged plenary session of the 6th provincial party committee.

This afternoon, the provincial government held a plenary session at Huayuncun. Governor and vice governors, advisers of the provincial government, secretary-general and deputy secretaries general, and responsible comrades of the provincial government units concerned attended the session.

Governor Hou Jie addressed the session. He worked out specific plans for implementing the guidelines of the work conference of the party Central Committee, the 3d Plenary Session of the 13th CPC Central Committee, and the 2d plenary session of the 6th provincial party committee. He said: The 3d Plenary Session of the 13th CPC Central Committee analyzed our country's current economic situation, defined the principles for improving the economic environment, consolidating economic order, and comprehensively deepening reform, and clearly put forward that it is necessary to prominently place the emphasis of reform and construction of the

coming 2 years on improving the economic environment and consolidating economic order. This is a very important strategic policy decision.

Governor Hou Jie said: Over the past few years, we stressed the necessity to cool the overheated economic air. However, we failed to do so. The air has become even hotter. We also called for controlling price hikes. However, we also failed to do so. Price hikes have increased even more rapidly. We also promoted the practice of keeping government organs clean and honest. However, unhealthy trends were not checked in certain aspects. Instead, they became more serious. This time, we must not and will not disappoint the masses of people in improving economic environment and consolidating economic order. Although some problems are hard to solve, we must recognize that the determinations of the party Central Committee and the State Council are great and that they have adopted a series of important measures. The provincial party committee and government have also adopted a resolute attitude. They will exert genuine efforts to grasp the work of improving the economic environment and consolidating economic order.

Governor Hou Jie called for efforts to successfully carry out the following few tasks in the near future: Efforts should be made to control price hikes; reduce the scope of investment; sort out and consolidate companies; strive to realize a balance between revenue and expenditure; stabilize the financial situation; make proper arrangements for the urban and rural markets; continue to deepen enterprise reform and do a good job in developing the economic reform experimental zones; constantly and steadily develop agricultural production; and actively develop border trades with the Soviet Union. He said: These nine fields of work are the work for the next few months as well as the work which we should grasp well next year. In line with the demands of sharing the responsibilities of each level, we should grasp the work one by one and step by step.

Governor Hou Jie emphatically pointed out: The key to successfully improving the economic environment and consolidating economic order lies on whether we can implement, in necessary places, specific measures for improving and consolidating the environment and order and the various work tasks set forth by the 3d plenary session. And the key to successfully implementing the measures and carrying out the tasks lies on whether leading organs and cadres can do a good job. As leading organs of the province, the various provincial-level departments and units must fully understand the heavy duties which they should shoulder during the critical period, play an exemplary role in comprehensively implementing the guidelines of the work conference of the party Central Committee and the 3d plenary session of the 13th party Central Committee, and guarantee the smooth implementation of the strategic policy decisions and measures of the party Central Committee and the State Council in our province.



Governor Hou Jie called on the various provincial-level departments and units to play a leading role in the following fields:

1. They should take the lead in giving consideration to the whole situation. He said: In improving and consolidating the economic environment and order, it is impossible to avoid encroaching on the interests of some localities and departments. We may even suffer injuries and have to make sacrifices or pay a price. The provincial government and provincial-level organs should take the lead in fostering an overall concept, and guarantee the implementation of the measures for improving and consolidating economic environment and order.

2. They should take the lead in observing discipline. He said: Judging from the situation of the provincial government organs, their sense of discipline is blunt. The phenomenon of lax discipline has not yet been eliminated and is still very serious in some departments. The current prominent problems are that some orders and prohibitions are not strictly enforced, and that the lower levels have their own ways to deal with policies from the higher levels. Some major issues in particular, such as reducing the scope of investment in capital construction, controlling institutional purchases, forbidding party and government organs to engage in commerce or to run enterprises, and strictly forbidding extravagance and waste, have remained unchecked despite the repeated injunctions of the party Central Committee and the State Council as well as the provincial party committee and government. In light of the work to improve and consolidate economic environment and order, this time, the provincial-level organs should begin with the work and should take the lead in observing administrative and economic discipline.

3. They should take the lead in keeping their organs clean and honest. The provincial government organs and units should make comparisons and examine their organs in line with the stipulations of the provincial party committee and government on keeping party and government organs and cadres clean and honest, and should expose problems. They should conscientiously straighten out the problems until they achieve actual results. In solving the problems of keeping the provincial-level organs clean and honest, we must adopt the methods of combining the efforts of the higher and the lower levels. We should strive to establish corruption report centers province wide as soon as possible, conscientiously investigate and handle cadres' law and discipline violation cases, and strictly punish those who have engaged in the practice of having bureaucrats shield and wink at them, and who have interfered with the investigation and handling of cases.

4. They should take the lead in strengthening ideological and political work.

5. They should take the lead in doing their own work well. At today's provincial government plenary session, some comrades, including Sun Kuiwen, Chen Xing, Li Jiacao, Xie Changrong, and Zhang Rende, gave speeches respectively on the specific topics of sorting out projects under constructions, curtailing the scope of investment and institutional purchases, controlling currency, stabilizing finances, strictly controlling price hikes and conscientiously sorting out and consolidating companies.

**Jilin's He Zhukang at Party Work Conference**  
SK2010104488 Changchun Jilin Provincial Service  
in Mandarin 1030 GMT 19 Oct 88

[Text] The Jilin Provincial CPC Committee held a work conference in Changchun today.

The conference was held after all localities throughout the province had conscientiously relayed and studied the guidelines of the central work conference and the 3d Plenary Session of the 13th CPC Central Committee. The main topic of the conference was to thoroughly study and implement the guidelines of the Central Work Conference and the 3d Plenary Session of the 13th CPC Central Committee, achieve unity in thinking and action, study and work out measures for the province to improve the economic environment, rectify economic order, and comprehensively deepen reform, and, thus, to continuously facilitate the province's reform and construction.

Du Qinglin, deputy secretary of the provincial party committee, presided over this morning's plenary session. He Zhukang, secretary of the provincial party committee and provincial governor, and Wang Zhongyu, deputy secretary of the provincial party committee and provincial vice governor, spoke at the conference.

Comrade He Zhukang said in his speech: After comprehensively and correctly analyzing the situation, the party Central Committee decided to focus the reform and construction for the next 2 years on improving the economic environment and rectifying the economic order and defined the guiding principles and important measures for improving the economic environment, rectifying the economic order, and comprehensively deepening reform. Conscientiously implementing this important policy decision of the party Central Committee is of great immediate and far-reaching significance in continuously deepening reform and ensuring the development of the four modernizations and other undertakings.

Comrade He Zhukang pointed out: To conscientiously fulfill the task of improving the economic environment, rectifying economic order, and comprehensively deepening reform as set forth by the party Central Committee, the most important work currently is to achieve unity in understanding, arouse our spirit, and enhance our confidence. We should adopt effective measures to improve the economic environment and rectify economic order, adhere to the orientation of reform and opening up, conscientiously make coordinated reforms a success,

strengthen party leadership, develop political advantages, enhance the sense of discipline to strictly enforce orders and prohibitions, ensure that party and government organs are clean and honest, and take the initiative in maintaining unity with the party Central Committee.

In his speech, Comrade He Zhukang urged all Communist Party members and state cadres voluntarily to place themselves in reform and play an exemplary and backbone role. They should not only regard the major work of the country as their own but also successfully conduct meticulous and painstaking ideological and political work to enhance the people's confidence.

He stressed: Confidence is a kind of social sense. Currently many people lack confidence in society and organization and rarely place themselves in them. They blame others and do not examine themselves. This is the crucial point of our problem. Every man shares responsibility for the state of his country. The great cause of reform depends on everyone. Each and every comrade should clearly understand his responsibility to society, and conscientiously hold this responsibility. If everyone does so, a powerful economic force will be built; the principles, policies, and measures set forth by the party Central Committee will be truly implemented; and the reform and construction of our province will be pushed forward continuously.

Comrade Wang Zhongyu stressed in his speech: In implementing the principles decided at the third plenary session, we should have a resolute attitude and prudent and safe methods. We should persist in conducting reform while simultaneously making efforts to improve, rectify, and develop. In the coming winter and spring, on the premise that reform and opening up are carried out, the province should adopt resolute and effective measures to particularly control commodity prices, reduce the investment in fixed assets and reduce institutional purchases, straighten out companies and the order of circulation, and make a success of grain purchases.

In his speech, Comrade Wang Zhongyu also put forward the provincial government's major measures and specific requirements for implementing the principles of the third plenary session in line with the actual conditions of our province.

He said: The tasks for the province's economic work next year are very arduous. Leading comrades of governments at various levels and various departments should unify their thinking in line with the guiding principles of the party Central Committee; clearly understand the situation; strengthen leadership; stress discipline; remain clean and honest; achieve a greater success in various tasks; and make new contributions to deepen reform, stabilize the economy, and develop a stable and united situation.

Attending the conference were Gu Changchun, deputy secretary of the provincial party committee; members of the Standing Committee of the provincial party committee; the chairman and vice chairmen of the provincial

Advisory Commission; the secretary and deputy secretaries of the leading party group of the provincial People's Congress; members of the leading party group of the provincial government; the secretary and deputy secretaries of the leading party group of the provincial CPPCC Committee; secretaries of city, prefectural, and autonomous prefectural party committees; mayors and commissioners of cities and the autonomous prefecture; secretaries of county and city discipline inspection commissions; provincial-level retired comrades; and responsible comrades of relevant provincial departments.

### Northwest Region

**Gansu Holds Conference on Use of Resources**  
*HK2110032788 Lanzhou Gansu Provincial Service  
in Mandarin 0000 GMT 21 Oct 88*

[Text] Under the auspices of the State Science and Technology Commission, the Gansu Provincial People's Government, and the China National Nonferrous Metals Industry Corporation, the 1988 Conference on Scientific and Technological Work for Comprehensive Use of Jingchuan Resources opened in Jingchuan on the afternoon of 20 October.

State Councilor Song Jian, minister of the State Science and Technology Commission, attended the meeting, which was presided over by General Manager Fei Ziwen of the China National Nonferrous Metals Industry Corporation. Jiang Minkuan, vice minister of the State Science and Technology Commission, delivered the opening speech. Governor Jia Zhijie of the Gansu Provincial People's Government attended and addressed the meeting. Deputy Governor Liu Shu also attended the meeting.

The major tasks of the meeting are to examine the comprehensive use of Jingchuan resources in 1987, the joint tackling of key scientific and technological projects, deepening of enterprise reform, first-phase technological transformation, and developments in second-phase construction work, and to decide on crucial research projects in the Seventh 5-Year Plan.

In his speech, Governor Jia Zhijie hailed successes achieved in the comprehensive use of Jingchuan resources under the guidance of Comrade Fang Yi. He noted: With its rapid development, the Jingchuan Company has made a great contribution to the state and to our province as well. The company adds nearly 100 million yuan to the revenue of our province a year, and what is most important is that it has furnished the industrial development of our province with valuable experience. He continued: Gansu is very rich in natural resources but is a poor province in the country. It has been 30 years or more since the founding of the People's Republic, but 27 percent of peasants in our province have not attained sufficiency in food and clothing, and the average per capita amount of grain and net income is still on the low side if compared with other provinces of the country. However, Gansu has



sufficient energy and abundant natural resources. It is a treasure land with huge potential and has the foundation and many favorable conditions for large-scale exploitation and use of resources. In view of this, we envisage a tentative plan for the establishment of a multinational economic development zone in the upper reaches of the Huang He. The tentative plan has been agreed to and supported by the party Central Committee and the State Council. The Jingchuan Company will also take an active part in preparations for establishment of the economic development zone. Governor Jia hoped that the Jingchuan Company will always think of the interests of the state and will be eager to meet the needs of the state and complete the second-phase construction as early as possible by carrying on the spirit of hard struggle in starting an undertaking of past days and conquering all difficulties and hardships so as to supply more nickel to the state and make greater contributions to socialist modernization.

**Qinghai Leader Views Plenum Decision Worries**  
*HK2110021788 Xining Qinghai Provincial Service  
in Mandarin 2300 GMT 20 Oct 88*

[Text] Qinghai Provincial CPC Committee Secretary Yin Kesheng said after listening to a provincial government report on arrangements for and progress in improving the economic environment and rectifying the economic order. Although we have made a very good start, it is still necessary to do a good job in three respects.

Yin Kesheng said: Since the beginning of October, the whole province has concentrated efforts on relaying the spirit of the two central conferences. By 19 October, except for Yushu Autonomous Prefecture, this spirit had been relayed to township and section-level cadres throughout the province, while the provincial organs had relayed it to every party member. The great majority of areas and departments have made arrangements in light of reality.

The universal reaction is that the central decisions are correct, timely, and decisive, and form the guarantee for the success of reform.

However, certain comrades lack understanding of the spirit of the two central conferences. They worry about whether the central decisions can be translated into action, whether price increases next year can be markedly lower than this year, whether improvement and rectification work will only deal with minor issues and ignore the major ones, whether they will lose out through missing the last bus, and whether the reforms will be affected.

Yin Kesheng explained, saying: These worries are the result of a failure to study thoroughly the spirit of the two central conferences; at the same time, they show that everyone needs to strengthen faith in the party. Hence,

we must lay stress on unifying thinking and understanding, bearing in mind the overall situation, strictly observing discipline, doing practical deeds, and scoring practical results, so as to gain the people's trust.

Yin Kesheng pointed out that to transform the masses' worries into confidence, we must clearly proclaim the central authorities' resolve to the cadres and masses, and let everyone have a clear picture of the measures taken by the CPC Central Committee, the State Council, and the provincial party committee and government. We must promptly report to everyone on the results gained in improving the economic environment and rectifying the economic order.

On implementing the spirit of the two central conferences, Yin Kesheng said: We must base our efforts on reality, summon up great resolve, and adopt practical and appropriate methods. We cannot treat all cases the same way irrespective of the conditions. At present we must aim at two targets: 1) Control prices and ensure that next year's price increases are markedly lower than this year's; 2) ensure clean and honest government, rule the party with strictness, and punish corruption. We must implement the provincial party committee's and government's 10-point regulation on clean and honest government. We must check on party style and discipline. We must ensure the establishment of systems and make our work visible. We must dare to commend the good and criticize the bad.

We must be concerned for the masses' food basket. The markets must clearly display their prices. The commercial departments must organize sources of supply for the new year and spring festival markets.

Yin Kesheng said: While improving the large environment, we must also invigorate the small one. This means integrating improvement and rectification with deepening the reforms, especially the enterprise reforms, with instituting the economic development strategy, with strengthening and improving macroeconomic control, and with readjusting the economic structure.

Yin Kesheng emphasized: In improving the economic environment and rectifying the economic order, we must strengthen party leadership, extensively mobilize the masses, and stimulate the initiative of all sectors. Every cadre and party member must undergo the test and enhance awareness of maintaining unity with the central authorities. We must work hard, maintain clean and honest government, and center our work around improvement and rectification.

The provincial government reported on improvement and rectification work to the provincial party committee Standing Committee meeting on 19 and 20 October. Tian Chengping, (Fang Jiejia), Liu Feng, (Tang Zhengren), Bian Yaowu, and (Hou Shaoqing) attended the meeting. Ma Wanli, Huanjuecailang, Duoba, Song Ruixiang, Wu Chengzhi, Bainma Danzang, and responsible persons of sectors concerned attended as observers.



**Taiwan Democratic League Meets in Nanjing**  
*OW2010145188 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 15 Oct 88*

[Text] The 6-day national work conference of the Taiwan Democratic Self-Government League ended in Nanjing today. The delegates listened to an analysis of the situation in Taiwan by Cai Zimin, member of the central presidium of the Taiwan Democratic Self-Government League and member of the NPC Standing Committee, and a report on the current domestic situation on reforms and tasks by Chen Zhongyi, member of the central presidium of the Taiwan Democratic Self-Government League and member of the CPPCC National Committee.

The delegates reviewed and exchanged their experience on the enormous amount of work they have done for the promotion of interchange between the two sides of the straits by the various localities since the Taiwan authorities allowed Taiwan compatriots to come to the mainland to visit relatives a year ago, in particular on the propagation, among Taiwan compatriots at home and abroad, of mainland's policy of opening up to the outside world, economic preponderance and investment environment, and on the positive assistance they have given to localities in attracting capital, technology and talent, acting as a bridge, and bringing them together to offer their services to Taiwan compatriots.

**Taiwan Legislator Returns Home After Visit**  
*OW1910194888 Beijing XINHUA in English  
1520 GMT 19 Oct 88*

[Text] Hong Kong, October 19 (XINHUA)—Hu Chiu Yuan, a member of the "Legislative Yuan" of Taiwan, returned to Taipei Tuesday [18 October] after a mainland tour, to the welcome of his 200 supporters, according to reports from Taipei.

Carrying placards, his supporters chanted the slogans, "Welcome Back Hu Chiu Yuan After Discussing State Affairs on the Mainland" and "Long Live the Reunification of China".

In an impromptu speech at the Taipei airport, Hu said his mainland tour was entirely for China's reunification, not for himself.

Said he: "I hope all Taiwan compatriots will make concerted efforts to attain the goal of China's reunification."

Then the Taiwan Reunification League, of which Hu is the honorary chairman, held a press conference for Hu to brief people on his mainland tour.

In his speech, Hu said: "Reunification is the obligation of the entire Chinese people and the endeavor for the common future of the Chinese nation."

"Once Taiwan disassociates itself from the mainland," he went on to say, "regardless of how many successes it has achieved, it will have no security to speak of and its future will be dark in the face of international hegemonism. Hence, the only way out in the future is to advance toward reunification."

Hu was expelled last month from the Kuomintang in Taiwan because of his mainland tour.

Taiwan's "Ministry of the Interior" yesterday announced that Hu is forbidden from leaving Taiwan for two years because he "visited the mainland in defiance of rules".

**Taiwan Compatriots Discuss Treatment on Mainland**  
*HK1910071188 Beijing ZHONGGUO XINWEN  
SHE in Chinese 0238 GMT 14 Oct 88*

[Report: "Entries and Exits by Taiwan Compatriots Through Guangdong Top 400,000"—ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 14 Oct (ZHONGGUO XINWEN SHE)—Statistics show that since November of last year entries and exits by Taiwan compatriots through Guangdong have topped 400,000, accounting for 92 percent of the total entries and exits by Taiwan compatriots visiting the mainland.

Taiwan compatriots going in and out of the mainland through Guangdong are satisfied with the reception services provided by different departments in the province. They usually remark that people in their native places are hospitable, mainland officials are easy to approach, and great changes have taken place. Many Taiwan compatriots said: "Seeing once is a hundred times better than hearing from others!"

They also aired their opinions on some social events on the mainland. Sometimes they have their money stolen in Guangzhou; delays sometimes occur in their travel schedules because tickets are not available due to the shortage of railway and aviation transport facilities; they complain most that some law breakers frequently cheat them by illegally exchanging the renminbi with foreign currencies at cross rates or reselling at a profit the duty-free commodities they bring to the mainland from overseas. The Guangzhou branches of some Hong Kong travel agents also resell at a profit the duty-free commodities Taiwan compatriots carry to the mainland.

Several days ago the Guangdong Provincial Government held a meeting demanding that all departments provide better reception services for Taiwan compatriots and ensure the safety of Taiwan compatriots and their belongings. Law breakers who cheat Taiwan compatriots or steal their money and belongings and those who illegally exchange the renminbi with foreign currencies or resell duty-free commodities at a profit must be seriously dealt with and severely punished.

**Trade Mission Returns From Soviet Union**  
*OW2010215488 Taipei CNA in English 1537 GMT*  
*20 Oct 88*

[Text] Taipei, Oct. 20 (CNA)—The first Republic of China [ROC] trade mission to have visited the Soviet Union returned home Thursday [20 October] after an 18-day visit to the East bloc country.

The 58-member mission organized by the Taiwan Importers and Exporters Association, told a press conference upon arrival at Chiang Kai-shek International Airport that the biggest achievement of the visit was that the group had gained a first-hand understanding of the Soviet market.

An official of the China External Trade Development Council (CETRA) who accompanied the mission said the Soviet Union had great potential as a market for ROC products. He added, however, that many problems, especially those concerning government policy, must be solved before local traders can begin to exploit that market.

The ROC Government allows only indirect trade with the Soviet Union. When the government announced it would lift the ban on direct trade with East European countries last March, the Soviet Union and Albania were the only two countries not included.

The trade mission, which included two officials from the Board of Foreign Trade, flew into Moscow Oct. 4 via Bangkok to study the trade environment and market situation in the Soviet Union.

During their stay there, the group headed by Lin Tze-ching, president of the Taiwan Importers and Exporters Association, held a series of unofficial meetings with Soviet trade officials and state enterprise executives in Moscow, Kiev, Minsk and Leningrad to seek trade opportunities.

Although many members of the mission see the Soviet Union as a promising future market for ROC exports, one member, Chang Chen-tien, told reporters that he felt the time was not yet ripe for the two countries to develop trade relations because of differences in their political systems and policies.

Huang Kuei-chiao, another businessman on the mission said the biggest barrier to ROC-Soviet trade will be the Soviets' lack of cash and foreign exchange reserves. In such circumstances, trade between the two countries will have to be based on the barter system, he said.

**Trade Council To Hold Conference With S. Korea**  
*OW2010160988 Taipei CNA in English 1017 GMT*  
*20 Oct 88*

[Text] Taipei, Oct. 20 (CNA)—The fourth joint conference of the China External Trade Development Council (CETRA) and the Korea Trade Promotion Center (KOTRA) will be held Oct. 28-29 in Seoul, according to the ECONOMIC DAILY NEWS.

Liu Yien-chu, the new secretary general of CETRA, will head the ROC [Republic of China] delegation.

Taiwan will propose cooperation in holding product exhibitions and ask South Korea to lower tariffs on electronic components.

The two trade organizations will also study measures to prepare for the 1992 unification of the European market and increasing international trade protectionism, according to the paper.

CETRA noted that major export items from Taiwan to South Korea are electronic components which Korean companies are unable to produce in quantity and with adequate quality, the paper said.

CETRA added that while local tariff rates on those items are below 7.5 percent on average, Korean tariffs on the products are as high as 20 percent and sometimes as much as 30 percent after adding commodity and other value-added taxes.

The high tariffs have done little damage to Taiwan's exports of these items to Korea, but have increased costs for Korean manufacturers, CETRA said, adding that lower tariffs would benefit both sides.

CETRA said it has held Taiwan product exhibitions in cooperation with Japanese retail chains which greatly benefited all parties involved and will propose similar cooperation with KOTRA.

International trade protectionism is expected to continue to grow as an increasing number of international economic organizations come into being. Delegates to the conference will discuss measures to meet challenges from these unified markets, the paper said.

**Economic Ties With Thailand 'Greatly' Improved**  
*OW2010131988 Taipei CNA in English 1113 GMT*  
*20 Oct 88*

[Text] Taipei, Oct. 20 (CNA)—Economic relations between the Republic of China [ROC] and Thailand have improved greatly with rapidly increasing Taiwanese investments in Thailand and the frequent trade exhibitions being held in each country in the past few years, an ROC representative in Bangkok said Thursday, according to FAR EAST NEWS AGENCY [as received] report from Bangkok.

Shen Ke-chin, the ROC representative in Thailand, made the statement in a press conference Thursday morning. Shen also announced at the occasion that the 1988 Taiwan Industries Fair will be held Nov 4-8 at the Bangkok International Exposition Center, with 45 leading ROC companies participating.

The fair, with 1,500 square meters of display area, will exhibit such Taiwan-made goods as computers and peripherals, machine tools, industrial machinery and equipment, and turn-key plants, mechanical components and measuring instrument, electronic and electrical products, automobile parts and accessories, he said.

Shen said that Thailand has received many orders for its products, including furnitures, jewelry and leather products, after participating in the first Taipei import fair in August. Thirty-five Thai companies took part in the Taipei fair.

The annual growth rate of the two-way trade between the ROC and Thailand is expected to reach 40 percent this year. The ROC-Thai trade amounted to 620 million U.S. dollars last year and 670 million U.S. dollars in the first eight months of 1988, the ROC representative reported.

He also said that the ROC has become the second largest foreign investor in Thailand, accounting for 8.2 percent of total foreign investment in Thailand in 1987.

The major imports to Taiwan from Thailand include farm and forest products, processed food and grains, chemical products, leather and fur, while the major items exported from Taiwan to Thailand are industrial machinery and equipment, synthetic fiber and textile materials, plastic resin and artificial rubber products, Shen said.

**Mainland Eases Publicity of Hu Chiu-Yuan Visit**  
*HK1910073988 Hong Kong SOUTH CHINA MORNING POST in English 19 Oct 88 p 8*

[By Daniel Kwan and David Chen]

[Text] China has slowed its pace in efforts to woo Taiwan following strong adverse reaction by the Taipei authorities over the mainland visit of a member of Taiwan's Legislative Yuan, Mr Hu Chiu-yuan.

The mainland's propaganda machinery, which has been publicising Mr Hu's visit, has toned down greatly its reports on his activities following the Kuomintang's decision to expel Mr Hu from the party.

Beijing would also have been slightly embarrassed by Mr Hu's suggestion that it drop the word "people" from its official name, so that both sides would be called the

"Republic of China". This, in Beijing's eyes, would be tantamount to acknowledging that the regime in Taipei is the rightful government of China.

Mr Hu, 78, who arrived from Shenzhen after a month's stay on the mainland, reiterated his suggestion at a press conference yesterday. He added that the name of "People's Republic of China" was not "appropriate" for China because it had the connotation of being associated with the Soviet Union "like a vassal state".

The legislator also called on the Beijing's government to abandon its use of simplified characters of the Chinese language.

China is unlikely to accept this proposal as simplified characters have been in use for nearly four decades, and a whole generation has grown up using this form of writing Chinese.

Mr Hu also proposed that the younger generation be allowed more freedom. "Many of the officials who are in power now have also staged protests when they were students. Why should they be so nervous about the student movements that happened last year?" he asked.

The suggestions, he said, were contained in a letter he had written to communist leaders and he had yet to receive a reply.

To Taiwan, Mr Hu said the Kuomintang government should take the initiative to start a dialogue with Beijing for the unification of the country and put forward "counter-proposals".

"We should have a solid proposal on unification so that we can negotiate with them on equal terms," he said.

Taiwan, he said, was ahead of the mainland in economic and political fields but was not comparable in terms of population and land. "We should talk to them while we still have the edge," he added.

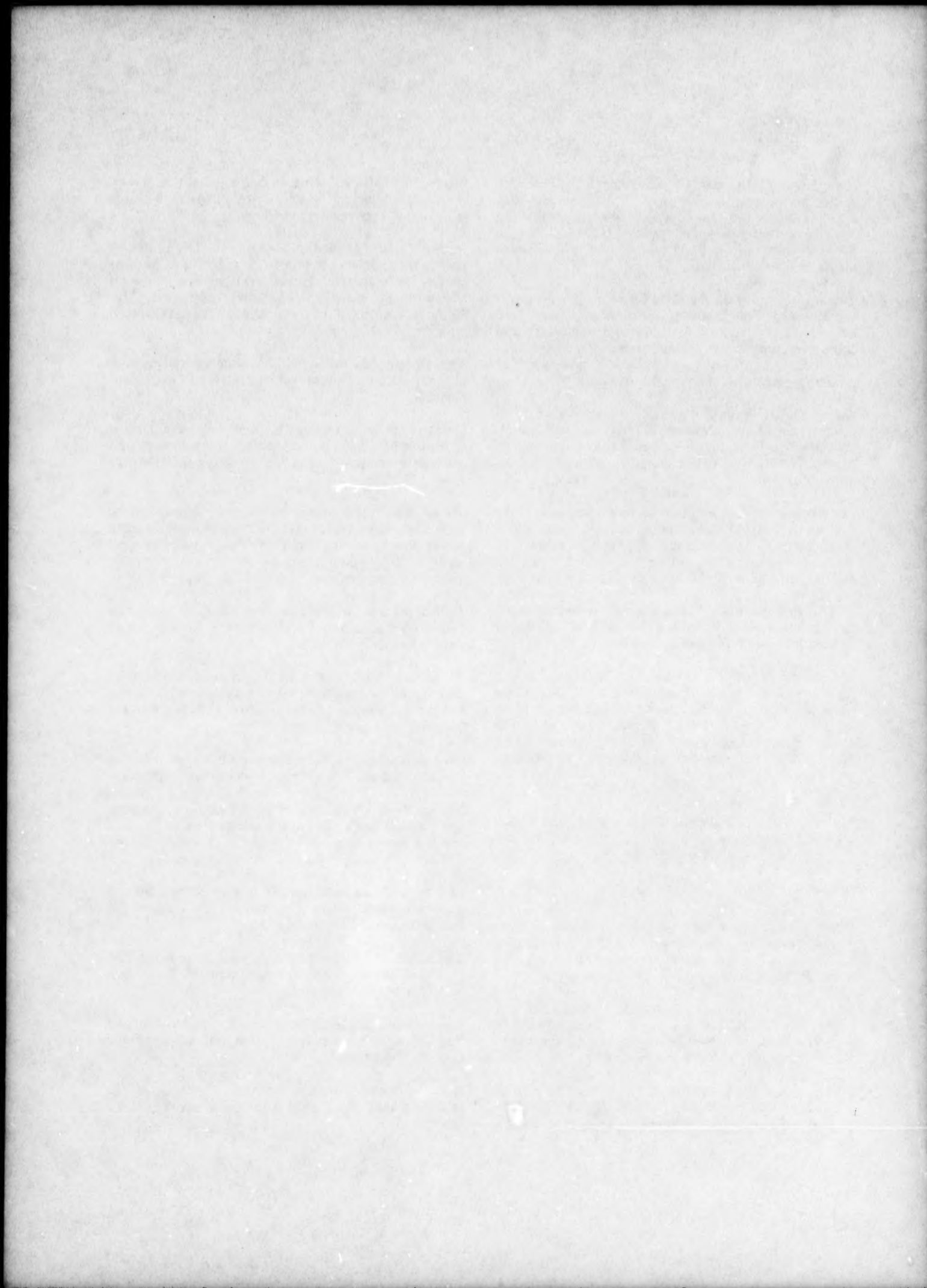
In a written statement, Mr Hu denied charges that he had been used by the Communists as a figure for tongzhan—appeal for unification.

The statement also touched briefly on Hong Kong. The mainland, he said, should be held responsible for the lack of confidence in Hong Kong.

"They should give Hong Kong people more freedom and this would be conducive to the unification of the country," he added.

Asked whether he would rejoin the Kuomintang, Mr Hu said he would do so only if the party welcomed his return.





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